

# APPENDIX D

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF NEW YORK

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ROSS UNIVERSITY SCHOOL OF MEDICINE, LTD.,

Plaintiff,

vs. No. 09 CV 01410 (KAM) (RLM)

BROOKLYN-QUEENS HEALTH CARE, LTD. And WYCKOFF  
HEIGHTS MEDICAL CENTER,

Defendants.  
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DEPOSITION OF HAROLD McDONALD

New York, New York

Monday, June 27th, 2011

Reported by:  
Jeremy Frank, MPM  
JOB NO. 77969

June 27th, 2011  
10:26 a.m.

Deposition of HAROLD McDONALD, held at  
the offices of Baker Hostetler, Esqs, 45  
Rockefeller Plaza, New York, New York,  
pursuant to Subpoena, before Jeremy Frank,  
a Notary Public of the State of New York.

IT IS HEREBY STIPULATED AND AGREED, by  
and between counsel for the respective  
parties hereto, that the filing, sealing and  
certification of the within deposition shall  
be and the same are hereby waived;

IT IS FURTHER STIPULATED AND AGREED that  
all objections, except as to the form of the  
question, shall be reserved to the time of the  
trial;

IT IS FURTHER STIPULATED AND AGREED that  
the within deposition may be signed before any  
Notary Public with the same force and effect  
as if signed and sworn to before the Court.

# APPEARANCES:

BAKER HOSTETLER, ESQS.  
Attorneys for Plaintiff

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BY: GEORGE J. TZANETOPOULOS, ESQ.

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Attorneys for Nonparty Witness

111 Great Neck Road  
Great Neck, NY 11021

BY: ANDREW L. ZWERLING, ESQ.

McDonald

HAROLD McDONALD, called as a  
witness, having been duly sworn by a Notary  
Public, was examined and testified as follows:

EXAMINATION BY

MR. TZANETOPOULOS:

**Q. Mr. McDonald, have you ever given  
a deposition before?**

A. Yes.

**Q. How many times?**

A. Two or three times.

**Q. You have been through the drill,  
we will go through the short version. As you  
know I'll be asking you a series of questions  
and you will answer, the court reporter will  
take down what is said. If at any time you  
don't understand me or don't hear me, please  
let me know and I'll be happy to rephrase or  
say it again.**

**All right?**

A. Yes.

**Q. That's the next thing, you have to  
answer out loud in words.**

**Please state your full name and  
home address for the record.**

1 McDonald  
 2 A. Harold E. McDonald, 28 Overlook  
 3 Road, Lattingtown, New York, 11560.  
 4 **Q. By whom are you presently**  
 5 **employed?**  
 6 A. Kingsbrook Jewish Medical Center.  
 7 **Q. In what capacity?**  
 8 A. Senior vice president for network  
 9 development and long-term care.  
 10 **Q. In general terms what are your**  
 11 **responsibilities in that position?**  
 12 A. To manage the operations of a  
 13 nursing home, develop relationships with  
 14 physicians, and manage the development of an  
 15 undergraduate medical education program.  
 16 **Q. How long have you been in your**  
 17 **present position?**  
 18 A. Since November 2010.  
 19 **Q. How old are you, sir?**  
 20 A. 60.  
 21 **Q. What is the highest level of**  
 22 **education that you have obtained?**  
 23 A. Masters.  
 24 **Q. From what university did you get**  
 25 **your master's degree?**

1 McDonald  
 2 A. Long Island University.  
 3 **Q. When did you receive your master's**  
 4 **degree?**  
 5 A. I don't remember the exact date.  
 6 **Q. Give or take the decade will do.**  
 7 A. Within the past 10 years.  
 8 **Q. What was the degree in?**  
 9 A. In public administration with an  
 10 emphasis in health care administration.  
 11 **Q. How about your bachelor's degree?**  
 12 A. Also from Long Island University  
 13 in business management.  
 14 **Q. We don't need to spend a lot of**  
 15 **time on this. If you can take us through the**  
 16 **Harold McDonald CV short version from college**  
 17 **forward.**  
 18 A. It has been a mix of for-profit  
 19 and not-for-profit health care. I started in  
 20 1972 in the hospital business, from there  
 21 moved into a not-for-profit nursing home, got  
 22 out of the business for a couple of years,  
 23 number of years, got into construction, back  
 24 into health care where I was CFO for a chain  
 25 of for-profit nursing homes, moved on from

1 McDonald  
 2 that organization to a not-for-profit nursing  
 3 home, a member of the New York Presbyterian  
 4 health care system. Spent about 14-plus  
 5 years, 17 years with the New York Presbyterian  
 6 system working at different nursing home care  
 7 agencies, hospitals primarily doing  
 8 turnarounds.  
 9 **Q. Were you employed for a period of**  
 10 **time at the Wyckoff Heights Medical Center?**  
 11 A. Yes.  
 12 **Q. What positions did you hold at**  
 13 **Wyckoff?**  
 14 A. My initial position was as chief  
 15 financial officer, that was back in 1996,  
 16 though I quickly moved into the chief  
 17 operating officer's position after a  
 18 turnaround at the hospital.  
 19 **Q. What was that last part?**  
 20 A. After a turnaround at the  
 21 hospital.  
 22 **Q. In laymen's terms, what does that**  
 23 **mean?**  
 24 A. If a business isn't functioning  
 25 appropriately financially it is putting

7

9

1 McDonald  
 2 together a corrective action plan, a  
 3 management action plan and implementing the  
 4 plan to correct the financial condition of the  
 5 hospital.  
 6 **Q. How long did you work at Wyckoff?**  
 7 A. I worked at Wyckoff from September  
 8 '96 to October, November 2010.  
 9 **Q. What were the circumstances of**  
 10 **your departure from Wyckoff?**  
 11 A. I had a job offer which I pursued.  
 12 **Q. From the time that you became**  
 13 **chief operating officer shortly after 1996**  
 14 **through November 2010, were you continuously**  
 15 **the chief operating officer at Wyckoff?**  
 16 A. From about 1997 to the time I left  
 17 I was chief operating officer.  
 18 **Q. During the time that you were**  
 19 **chief operating officer to whom did you**  
 20 **report, if it changed at different times, let**  
 21 **me know that too.**  
 22 A. I reported to the CEO, president/  
 23 CEO my entire month stay at the hospital.  
 24 **Q. During that time did different**  
 25 **people occupy that position?**

1 McDonald  
2 A. Yes.  
3 Q. Who were those people?  
4 A. Primarily it was Dominick Gio, was  
5 there from beginning back in '96 until 2007  
6 roughly.  
7 Q. After Mr. Gio?  
8 A. There was a succession of CEOs.  
9 Q. Who were they?  
10 A. Dr. Nirmal Mattoo, N-I-R-M-A-L  
11 M-A-T-T-O-O.  
12 Q. After Dr. Mattoo?  
13 A. It was a consulting firm, it was  
14 FTI Cambio.  
15 Q. And the person from FTI Cambio,  
16 was that Tom Singleton?  
17 A. Yes.  
18 Q. During what period of time did you  
19 report to Mr. Singleton?  
20 A. From mid-2007 to the Fall 2009,  
21 could have been '08.  
22 Q. I think '08.  
23 A. '08.  
24 Q. After Mr. Singleton to whom did  
25 you report?

11  
1 McDonald  
2 A. To Rajiv Garg.  
3 Q. That closes it out?  
4 A. That is a wrap.  
5 Q. All right.  
6 Did hold any position at Caritas  
7 Health Care?  
8 A. Yes.  
9 Q. What positions?  
10 A. Chief operating officer.  
11 Q. During what period of time were  
12 you chief operating officer at Caritas Health  
13 Care?  
14 A. From January 1st, 2007 to mid-  
15 2007.  
16 Q. What were the circumstances that  
17 led you to cease being chief operating officer  
18 at Caritas in 2007?  
19 A. When FTI Consultants came in and  
20 took over management control.  
21 Q. The people from FTI moved you out?  
22 A. Yes.  
23 Q. Who replaced you in the COO  
24 position at Caritas in mid-2007?  
25 A. I'm not sure what the management

1 McDonald  
2 structure was.  
3 Q. Have you ever held positions at  
4 Brooklyn-Queens Health Care?  
5 A. Yes.  
6 Q. What positions?  
7 A. Chief operating officer.  
8 Q. During what period of time were  
9 you chief operating officer at Brooklyn-Queens  
10 Health Care?  
11 A. It would have been similar to the  
12 length that I was COO of Caritas.  
13 Q. So again approximately beginning  
14 2007 through mid-2007?  
15 A. Correct.  
16 Q. Circumstances of departure also  
17 was that FTI moved you out?  
18 A. Right, yes.  
19 Q. Is it correct that for the period  
20 of time roughly beginning 2007 through  
21 mid-2007, you were simultaneously chief  
22 operating officer of Wyckoff Heights Medical  
23 Center, Caritas Health Care and Brooklyn-  
24 Queens Health Care?  
25 A. Yes.

13  
1 McDonald  
2 Q. Which of the entities paid your  
3 paycheck?  
4 A. Wyckoff Heights Medical Center.  
5 Q. Did either of the others pay you?  
6 A. No.  
7 Q. Okay.  
8 Did you serve on the Board of  
9 Trustees of Wyckoff Heights Medical Center?  
10 A. Yes.  
11 Q. During what periods?  
12 A. From my inception through to my  
13 departure.  
14 Q. For that entire time I take it you  
15 were a management member of the board?  
16 A. Yes.  
17 Q. Did you serve on the board at any  
18 time of Brooklyn-Queens Health Care?  
19 A. No.  
20 Q. About how about Caritas Health  
21 Care?  
22 A. You know, I never that I can  
23 recall attended any of the --  
24 MR. ZWERLING: Just to the best of  
25 your recollection.

1 McDonald  
2 A. I can't recall.  
3 Q. What did you do to prepare for  
4 today's deposition?  
5 A. Had a brief meeting a week or so  
6 ago with my attorney.  
7 Q. Did you do anything else to  
8 prepare for the deposition?  
9 A. No.  
10 Q. Did you review any documents?  
11 A. Yes.  
12 Q. The meeting with your attorney,  
13 who was present?  
14 A. Just this gentleman and Robert  
15 Wild.  
16 Q. By this gentleman are you  
17 referring to Mr. Loughlin?  
18 A. Yes.  
19 Q. In substance who said what to whom  
20 during the course of that meeting?  
21 A. It was an open dialogue.  
22 Q. What was the substance of the  
23 conversation?  
24 A. To explain to me what this process  
25 would be like and to inform me of what

15

1 McDonald  
2 potential questions that might be related to  
3 the agreement between Ross and Caritas.  
4 Q. What did Mr. Loughlin tell you  
5 about the positions of Wyckoff and of Ross in  
6 this lawsuit?  
7 A. Can you --  
8 MR. ZWERLING: You mean generally  
9 what did he say about the dispute?  
10 A. That there is an allegation on the  
11 part of Ross that if Caritas was not in a  
12 position to fulfill its obligations to Ross,  
13 that either Brooklyn-Queens Health Care or  
14 Wyckoff would be responsible for fulfilling  
15 those obligations.  
16 Q. Did Mr. Loughlin tell you anything  
17 else about Ross' position here?  
18 A. Not that I can recall.  
19 Q. What did Mr. Loughlin tell you  
20 about the defendants' position in this case?  
21 A. That the belief on the part of  
22 Brooklyn-Queens Health Care and Wyckoff was  
23 that they were not responsible for the  
24 liabilities of Caritas.  
25 Q. Anything else?

1 McDonald  
2 A. That was in general what was  
3 discussed.  
4 Q. Do you recall anything else about  
5 the conversation concerning either side's  
6 position?  
7 A. Nothing significant.  
8 Q. Anything at all?  
9 A. No.  
10 Q. You said that Mr. Loughlin  
11 discussed with you what questions might be  
12 asked of you.  
13 What did he say about what  
14 questions might be asked?  
15 A. I read through the agreement  
16 between Caritas and Ross.  
17 Q. What did he say might be a source  
18 of questions?  
19 A. That there would be questions  
20 related to the agreement.  
21 Q. You say you looked at the  
22 affiliation agreement. Did you look at any  
23 other documents?  
24 A. No.  
25 Q. How long did you meet with Mr.

17

1 McDonald  
2 Loughlin?  
3 A. About an hour or so.  
4 Q. Is Wyckoff either paying for or  
5 reimbursing you for the cost of your counsel  
6 today?  
7 A. They are paying for my counsel  
8 today.  
9 Q. Is Wyckoff reimbursing you for  
10 your time today?  
11 A. Unfortunately, no.  
12 Q. At present do you have any type of  
13 financial arrangements with Wyckoff, a  
14 separation agreement of any kind, a financial  
15 arrangement with the hospital following your  
16 departure?  
17 A. No, I don't.  
18 Q. Any noncompete?  
19 A. No.  
20 Q. Let's take you back in time to the  
21 period of time around 2005-2006, what  
22 responsibilities did you have at Wyckoff in  
23 connection with the acquisition, Wyckoff's  
24 acquisition of St. John's and Mary Immaculate  
25 Hospitals?

1 McDonald  
2 A. During 2006 it was to work with  
3 the team at Wyckoff to put the deal together,  
4 and from September '06 to January '07 I was  
5 the acting executive director of St. John's  
6 and Mary Immaculate, working and reporting to  
7 St. Vincent's Medical Center.

8 Q. During what period of time did you  
9 say?

10 A. This was prior to the closing,  
11 this was '06, fall, early fall to January when  
12 they the deal was closed.

13 Q. Let's focus on your work as part  
14 of the team that put the deal together for  
15 Wyckoff.

16 Who was on that team?

17 A. It was David Hoffman, Emil  
18 Rucigay, Dominick Gio, myself, and Rich Sarli.

19 Q. What was Mr. Hoffman's role?

20 A. Mr. Hoffman managed all of the  
21 legal aspects.

22 Q. At that time was David Hoffman  
23 general counsel of Wyckoff Heights Medical  
24 Center?

25 A. Yes, to my knowledge.

19

1 McDonald

2 Q. His too.

3 What was your role?

4 A. As chief operating officer.

5 Q. On the team?

6 A. On the team, it was to develop a  
7 transition plan.

8 Q. Mr. Rucigay?

9 A. Was to manage or oversee as a  
10 board member, he was chair of the board.

11 Q. Mr. Sarli?

12 A. Chief financial officer for  
13 Caritas.

14 Q. And Mr. Gio?

15 A. President and CEO of Wyckoff  
16 Caritas and Brooklyn-Queens Health Care.

17 MR. TZANETOPOULOS: Let's mark  
18 these as Plaintiff's 1, 2 and 3, for  
19 identification.

20 (Plaintiff's Exhibits 1 through 3,  
21 affiliation agreement and letters, marked  
22 for identification, as of this date.)

23 Q. Take a minute, look at them, when  
24 you're ready, I'll ask you questions.

25 Are you ready?

1 McDonald

2 A. Yes.

3 Q. Mr. McDonald, have you ever had a  
4 chance to review Exhibits 1, 2 and 3?

5 A. Yes.

6 MR. TZANETOPOULOS: For the record,  
7 Exhibit 1 is entitled the affiliate  
8 agreement between Ross University School  
9 of Medicine and Brooklyn-Queens Health  
10 Care, it has been marked with Bates  
11 numbers ROSS0056 through ROSS0067. The  
12 last page, 0067, is a fax cover sheet.

13 Exhibit 2 is a two-page letter from  
14 Dominick Gio president and chief  
15 executive officer of Wyckoff Heights  
16 Medical Center, to Nancy Perri, vice  
17 president academic affairs Ross  
18 University School of Medicine dated  
19 August 21st, 2006, Bates numbered  
20 ROSS031314 through 031315.

21 And Exhibit 3 is another letter  
22 from Mr. Gio dated August 21st, 2006 this  
23 time to Yife Tien, chief executive  
24 officer of the American University of the  
25 Caribbean that has been marked ROSS0607

21

1 McDonald

2 and 0608.

3 Q. The first question is easy, I  
4 hope, the signature on Exhibit 1 on the page  
5 marked ROSS0066, is that yours?

6 A. Yes.

7 Q. Okay.

8 If you look at the last sentence  
9 of what appears to be identical letters except  
10 for the addressee in Exhibits 2 and 3, is the  
11 Harold E. McDonald to which Mr. Gio refers  
12 you?

13 A. Yes.

14 Q. What responsibilities did you have  
15 at this time a little before in connection  
16 with the medical student clerkship proposals  
17 that are contained in Mr. Gio's letters in  
18 Exhibits 2 and 3?

19 A. The responsibility was to develop  
20 a plan with the medical schools to ramp up as  
21 quickly as possible to the number of clerkship  
22 rotations that we were planning which involved  
23 a considerable amount of work.

24 Q. My next question is what work was  
25 done in the development of that plan?



1 McDonald  
2 A. It was developing faculty,  
3 developing the curriculum, finding the space,  
4 making sure that the curriculum was acceptable  
5 to the medical school, and also to the staff  
6 at the hospital that the undergraduate medical  
7 education program was integrated with the  
8 graduate medical education program, space for  
9 lectures, space for rotations in the clinics,  
10 space for lockers, its administrative staff to  
11 manage all of the paperwork involved with the  
12 programs.  
13 Q. Just so we are clear on terms,  
14 when you refer to undergraduate medical  
15 education programs, the reference is to  
16 students who are in medical school?  
17 A. Correct.  
18 Q. When you speak of graduate medical  
19 education program that refers to residents who  
20 have finished medical school?  
21 A. Yes.  
22 Q. Mr. Gio's letters in Exhibits 2  
23 and 3 refer to some prepaid clerkship  
24 opportunities, we will talk in more detail  
25 about the Ross 1, but in general terms what

23  
1 McDonald  
2 were Wyckoff's plans for the money that would  
3 be raised by such contracts?  
4 A. To build the infrastructure which  
5 was necessary to support the medical student  
6 program at Caritas.  
7 Q. Did you have other plans for the  
8 money?  
9 A. Yes.  
10 Q. What other plans?  
11 A. Initially there was going to be a  
12 cash need as receivables ramped up at Caritas,  
13 so the money would be used to fund the  
14 operations of the hospital. Once the  
15 receivables ramped up and cash was collected  
16 on a regular basis, the money would be spent  
17 to improve the facilities and the faculty and  
18 the infrastructure at the medical student  
19 program.  
20 Q. All right.  
21 Were there also plans to use some  
22 of the funds raised by these contracts to  
23 build a central business office for the  
24 Brooklyn-Queens Health Care system?  
25 A. There were a central business

1 McDonald  
2 office that was being developed. I don't  
3 recall that the money was being used to  
4 develop the business, the business office was  
5 there already, it was operated by Catholic  
6 Medical Centers, so it was staff from CMC and  
7 staff from Wyckoff coming together in one  
8 central location.  
9 Q. Let's see if we can discuss what  
10 you testified to regarding the ramping up of  
11 receivables in laymen's terms. Let me put it  
12 to you in laymen's terms.  
13 When you're talking about using  
14 money while receivables are ramping up, can  
15 you describe that in more plain English?  
16 A. When the transaction closed on  
17 January 1st, 2007, there was a certain amount  
18 of working capital to carry on the day-to-day  
19 operations of the Caritas hospitals. New  
20 revenue coming in would take time to build up.  
21 You can't bill for an inpatient until their  
22 discharged. As the patients are seen in the  
23 clinic, bills are dropped within a week or  
24 two, it would take a month for the cash to  
25 come in. As your whole revenue cycle ramping

25  
1 McDonald  
2 up for the new organization which it was,  
3 Caritas was it a new organization at that  
4 point, there was going to be a period of time  
5 where there would be a cash shortage that  
6 would be supplemented by these funds. And  
7 within 60 to 90 days if everything went  
8 smoothly with the accounting system and the  
9 patient accounting process, the new cash  
10 should have been flowing in and Wyckoff and  
11 Caritas and Brooklyn-Queens Health Care,  
12 everybody would have been in a better cash  
13 position.  
14 Q. So is it correct then that the  
15 plan was for late 2006 Wyckoff anticipated  
16 that in the initial period after acquiring St.  
17 John's and Mary Immaculate Hospitals Caritas  
18 would be providing or paying to provide  
19 services but there would be some time before  
20 payment for those services would be received.  
21 Is that correct?  
22 A. Correct.  
23 Q. One of the plans for the funds  
24 raised by these prepayment contracts for  
25 medical school clerkships was to fund hospital



1 McDonald  
2 operations during a period of time before you  
3 received that money?  
4 A. Correct, which typically is a 60  
5 to 90-day period.  
6 Q. To what medical schools were  
7 offers like those reflected in Mr. Gio's  
8 letters in Exhibits 2 and 3 made?  
9 A. What additional schools?  
10 Q. Yes, sir.  
11 A. I'm not sure.  
12 Q. Were there any?  
13 A. I can't recall.  
14 Q. Who was responsible for selecting  
15 the medical schools to whom offers would be  
16 made?  
17 A. I would have to speculate and I  
18 don't remember, if I remembered I could state,  
19 but I don't remember exactly.  
20 Q. Are you familiar with someone  
21 named Julius Romero?  
22 A. Yes.  
23 Q. What is Mr. Romero's job at this  
24 time?  
25 A. He ran the undergraduate program

27  
1 McDonald  
2 at Wyckoff.  
3 Q. Was Mr. Romero in the 2006 time  
4 frame also working on these proposals?  
5 A. Yes.  
6 Q. What was Mr. Romero's job in  
7 connection with the proposals to medical  
8 schools?  
9 A. He was working with Dominick Gio  
10 and David Hoffman to develop their  
11 relationships.  
12 Q. Who was responsible for following  
13 up with the medical school if a medical school  
14 expressed interest in the offers outlined in  
15 Mr. Gio's letters in Exhibits 2 and 3?  
16 A. It would have been those three  
17 parties.  
18 Q. Mr. Gio and Mr. Hoffman and Mr.  
19 Romero?  
20 A. Correct.  
21 Q. How is it that your name was the  
22 person to contact in Mr. Gio's letter?  
23 A. Because I was the person  
24 responsible for all the operational issues  
25 which is the most significant part of the

28  
1 McDonald  
2 agreement.  
3 Q. In terms of putting together the  
4 business terms of negotiations for these  
5 contracts at that time, who on the Wyckoff  
6 side had responsibility for conducting  
7 negotiations with medical schools?  
8 A. It would have been David Hoffman,  
9 Julius Romero and Dominick Gio.  
10 Q. Was it Dominick Gio that assigned  
11 to you the role that you had in connection  
12 with putting together these medical school  
13 clerkship programs?  
14 A. Yes.  
15 Q. Was it Dominick Gio that made the  
16 assignments to David Hoffman and Julius Romero  
17 that you have testified about?  
18 MR. ZWERLING: If you know.  
19 A. It would have been his recommenda-  
20 tion to have Julius and David work on the  
21 contracts.  
22 Q. Did Mr. Romero report to you?  
23 A. He reported to a Dr. Ken Freiberg  
24 who was responsible for overall education.  
25 Q. To whom did Dr. Freiberg report?

29  
1 McDonald  
2 A. Dr. Freiberg reported to Dr.  
3 Nirmal Mattoo.  
4 Q. Ultimately up to Mr. Gio?  
5 A. And Mattoo reported to Dominick  
6 Gio.  
7 Q. Did you perform any work in  
8 putting together the offer letters that are  
9 contained in Exhibits 2 and 3?  
10 A. Not to my recall.  
11 Q. Who did?  
12 A. I would just, I'm not sure.  
13 Q. Given what we know about the  
14 hospital operation at that time, in the  
15 ordinary course whose job would it be to  
16 prepare such an offer letter?  
17 A. It would have been either, could  
18 have been one of the three people, it could  
19 have been their assistants.  
20 Q. The three people is Dominick Gio,  
21 David Hoffman and Julius Romero?  
22 A. Correct.  
23 Q. Did any medical schools in  
24 response to the offers contained in Exhibit 2  
25 and 3 or other offers like them get in touch

1 McDonald  
2 with you?  
3 A. Not that I can recall.  
4 Q. Did you participate in the  
5 discussions with any of the interested schools  
6 about the prepaid clerkship contracts?  
7 A. Related to the operations.  
8 Q. Which schools did you talk with?  
9 A. AUC, I can't remember if I spoke  
10 to Ross. It would have been strictly related  
11 to the ability to train a certain number of  
12 students and certain clerkships and faculty,  
13 those operational type issues.  
14 Q. AUC is the American University of  
15 the Caribbean.  
16 Is that correct?  
17 A. Correct.  
18 Q. Other than AUC and perhaps Ross,  
19 did you speak with any other medical schools  
20 about these prepaid clerkship offers?  
21 A. Not that I can recall.  
22 Q. You're aware, are you not,  
23 obviously that there was a contract with Ross,  
24 correct?  
25 A. Correct.

31

1 McDonald  
2 Q. There was also a contract reached  
3 with American University of the Caribbean?  
4 A. Yes.  
5 Q. Okay.  
6 Were contracts reached at this  
7 time with any other medical schools for  
8 prepaid clerkship contracts?  
9 A. I can't recall.  
10 Q. So the only two that you know of  
11 are AUC and Ross?  
12 A. Correct.  
13 Q. You have said that you have  
14 responsibilities for the operational aspect of  
15 negotiations.  
16 Who had responsibilities for  
17 negotiating the commercial terms with the  
18 medical schools?  
19 A. I'm not sure but it would have  
20 been one of the three, Julius, David Hoffman  
21 or Dominick.  
22 MR. ZWERLING: If I can interject,  
23 are you asking about this specific  
24 contract or just generally what would  
25 normally be involved in that process?

1 McDonald  
2 MR. TZANETOPOULOS: This set of  
3 offers.  
4 A. This set of offers.  
5 Q. Exhibit 2 and 3 offers.  
6 MR. ZWERLING: Do you recall who  
7 was involved?  
8 A. It would have been Julius.  
9 MR. ZWERLING: Do you know?  
10 THE WITNESS: I don't know.  
11 MR. ZWERLING: Listen carefully to  
12 counsel's question, he wants accurate  
13 answers.  
14 A. I'm not sure.  
15 Q. Did you ever meet with anybody  
16 from Ross?  
17 A. I can't recall.  
18 Q. Do you have any notes concerning  
19 your work on medical school clerkship  
20 contracts?  
21 A. Not that I recall.  
22 Q. Did you receive from Mr. Gio or  
23 anybody else I guess any guidelines for your  
24 negotiations regarding this these contracts?  
25 A. Not that I can recall.

33

1 McDonald  
2 Q. Are you aware of any guidelines  
3 being discussed for negotiations concerning  
4 the commercial terms of these contracts?  
5 A. Not that I can recall.  
6 Q. All right.  
7 I would like to focus now if we  
8 can on the discussions leading up to the  
9 contracts between Ross and Brooklyn-Queens  
10 Health Care that has been marked as Exhibit 1.  
11 Did you receive and comment on contract drafts  
12 as they went back and forth between Ross and  
13 the hospital?  
14 A. I can't recall.  
15 Q. Were there any kind of regular  
16 meetings about these contracts?  
17 A. I can't recall.  
18 At the time six months, not six  
19 months, from September through December I was  
20 at St. John's Mary Immaculate managing the day  
21 to day operations of those two hospitals. So  
22 the focus was on managing the day-to-day  
23 operations, and then it was a weekly  
24 conference call where everybody just gave an  
25 update on where they stood with the

1 McDonald  
2 transition.  
3 Q. Thank you.  
4 Let's talk about that a little  
5 bit, that may be helpful to the jury. You  
6 were employed under a contract, were you not,  
7 in the Fall 2006 to work at Mary Immaculate  
8 and St. John's before the transaction closed?  
9 A. Yes.  
10 Q. What did you do there?  
11 A. I was acting as executive director  
12 of the two hospitals and managing day to day  
13 operations.  
14 Q. So at that time you would have  
15 been the senior business executive of those  
16 two hospitals?  
17 A. The senior administrator at the  
18 hospitals.  
19 Q. I think you said there was a  
20 weekly conference call then with the  
21 acquisition team where everyone brought each  
22 other up to speed on acquisition issues?  
23 A. Correct.  
24 Q. Who participated in those calls?  
25 A. The staff of St. Vincent's and the

35  
1 McDonald  
2 staff of Caritas and the staff of Wyckoff.  
3 Q. Staff would be administrative  
4 staff?  
5 A. The administrative staff, the vice  
6 president for the organizations.  
7 Q. Was Mr. Gio a regular participant  
8 in those calls?  
9 A. No.  
10 Q. How about Mr. Romero?  
11 A. I can't recall.  
12 MR. TZANETOPOULOS: Can you mark  
13 this as the next one please, for  
14 identification.  
15 (Plaintiff's Exhibit 4, e-mail and  
16 amendment, marked for identification, as  
17 of this date.)  
18 Q. Mr. McDonald, let me show you a  
19 document that the court reporter has marked as  
20 deposition Exhibit 4. It's a two-page  
21 document Bates numbered BQHC24771 to 24772, an  
22 e-mail from Julius Romero to Nancy Perri.  
23 Mr. McDonald, the Exhibit 4 is an  
24 e-mail that shows a copy going to you. Did  
25 you get a copy of this?

1 McDonald  
2 A. I can't recall.  
3 Q. It also shows a copy going to  
4 Wah-Chung Hsu.  
5 Whose Mr. Hsu?  
6 A. Mr. Hsu was one of the chief  
7 financial officers.  
8 Q. Of which entity?  
9 A. In November 2006 Wyckoff, Wyckoff  
10 Heights Medical Center.  
11 Q. The subject line makes reference  
12 to an amendment to a CMC agreement.  
13 What does CMC refer to as you  
14 understand it?  
15 A. Catholic Medical Center.  
16 Q. Did you have any discussions with  
17 anybody at Wyckoff before Mr. Romero sent this  
18 out or was he keeping you in the loop with  
19 what he was up to?  
20 A. I can't recall.  
21 MR. TZANETOPOULOS: Mark this as  
22 Exhibit 5, for identification.  
23 (Plaintiff's Exhibit 5, e-mail  
24 chain, marked for identification, as of  
25 this date.)

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1 McDonald  
2 Q. Mr. McDonald, let me show you a  
3 document the court reporter has marked as  
4 Deposition Exhibit 5. Exhibit 5 is an e-mail  
5 string two pages, bears Bates numbers  
6 ROSS009019 to 009020. Look at it as much as  
7 you would like, you seem to come into it in  
8 the middle of the page.  
9 Mr. McDonald, the e-mail in  
10 Exhibit 5 that is dated Friday, December 1st  
11 shows a copy going to you. Did you receive a  
12 copy?  
13 A. I can't recall.  
14 Q. The other cc lines show an RIS9022  
15 and NYP.org.  
16 Is that to Mr. Sarli?  
17 A. I'm not sure, but, I'm not sure.  
18 Q. The NYP.org is an e-mail address  
19 that you used at times at Wyckoff, was it not?  
20 A. Yes.  
21 Q. What does the NYP stand for?  
22 A. New York Presbyterian.  
23 Q. Was Wyckoff at that time part of  
24 the New York Presbyterian system?  
25 A. Yes.

1 McDonald  
2 Q. The DNH9901, was that to Mr.  
3 Hoffman, David Hoffman?  
4 A. I'm not sure.  
5 Q. Mr. Romero's December 1st e-mail  
6 begins, "Dear Dr. Perri, per our telephone  
7 meeting this morning," then it goes on to some  
8 items.  
9 Were you a part of that telephone  
10 meeting?  
11 A. I can't recall.  
12 Q. Item two indicates that, "A call  
13 from Mr. McDonald is requested by Mr. St.  
14 James, a Mr. McDonald has returned a call to  
15 Mr. St. James today and will be followed up by  
16 Mr. Rich Sarli."  
17 Did you in fact call John St.  
18 James?  
19 A. I can't recall.  
20 Q. Have you ever spoken with him?  
21 A. I'm not sure.  
22 Q. Do you recall anything of  
23 substance of any conversation that you ever  
24 had with John St. James?  
25 A. No.

39  
1 McDonald  
2 Q. Do you recall anything of  
3 substance in your conversation you ever had  
4 with anybody from Ross?  
5 A. No.  
6 MR. TZANETOPOULOS: Mark this  
7 Plaintiff's 6, for identification.  
8 (Plaintiff's Exhibit 6, e-mail  
9 chain, marked for identification, as of  
10 this date.)  
11 Q. Mr. McDonald, have you had a  
12 chance to review Exhibit 6?  
13 A. Yes.  
14 Q. Exhibit 6 is a one-page e-mail  
15 string bearing ROSS027421.  
16 The second e-mail in the string is  
17 one that says it is from Julius Romero to John  
18 St. James dated December 16th, 2006. It shows  
19 a copy going to you.  
20 Did you receive a copy?  
21 A. I don't recall.  
22 Q. The e-mail address showed in this  
23 cc section of Exhibit 6, was that your e-mail  
24 address at Wyckoff?  
25 A. Yes.

1 McDonald  
2 Q. Mr. Romero writes to Mr. St. James  
3 opening, "I thought our teleconference meeting  
4 today was proactive," he goes on to discuss  
5 it.  
6 Were you a part of that telephone  
7 conference meeting?  
8 A. I don't recall.  
9 Q. In the ordinary course of  
10 negotiations with medical schools about these  
11 contracts, if there were telephone conferences  
12 in which Mr. Romero was negotiating with  
13 medical schools, would you have been part of  
14 that?  
15 A. Not necessarily.  
16 Q. Were you part of some?  
17 A. Not that I can recall.  
18 Q. Okay.  
19 Midway through the page Mr. Romero  
20 writes, "A summary of our discussions are  
21 outlined below." He uses a series of points.  
22 Point seven states, "A contingency of an equal  
23 number of core clerkship slots at Wyckoff  
24 Heights Medical Center will serve as  
25 collateral should any guaranteed, prepaid core

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1 McDonald  
2 clerkship at Caritas is not provided to Ross  
3 University during the term of this agreement."  
4 Do you see where I am?  
5 A. Yes.  
6 Q. At any time before or at any time  
7 during this December 2006 time frame have you  
8 been a part of any discussion internally at  
9 Wyckoff concerning using slots at Wyckoff as  
10 collateral for the prepaid deals for  
11 clerkships at Caritas?  
12 A. Not that I recall.  
13 Q. You would agree, would you not,  
14 that assuming the e-mail came to you, you had  
15 information available to you from Mr. Romero  
16 that at least as of December 16th he was  
17 discussing with Ross using clerkships slots at  
18 Wyckoff as collateral for prepaid core  
19 clerkships at Caritas?  
20 MR. ZWERLING: Objection form, can  
21 you rephrase that?  
22 MR. TZANETOPOULOS: Sure.  
23 Q. Mr. McDonald, if you got the  
24 e-mail in Exhibit 6, you would agree that Mr.  
25 Romero had provided you with the information

1 McDonald  
2 that he was discussing with Ross?  
3 MR. ZWERLING: As outlined in his  
4 e-mail?  
5 MR. TZANETOPOULOS: Correct.  
6 Q. Using core clerkship slots at  
7 Wyckoff to serve as collateral for prepaid  
8 core clerkships at Caritas?  
9 MR. ZWERLING: Same objection.  
10 A. I would have objected to that one.  
11 Q. If you got the e-mail you had at  
12 least available to you, the information that  
13 he lists in his point seven --  
14 MR. LOUGHLIN: Had he got the  
15 e-mail and read it he would have gotten  
16 the e-mail, it is just a hypothetical.  
17 Objection to form.  
18 Q. You can answer.  
19 A. I could speculate if you want me  
20 to speculate.  
21 Q. Sure.  
22 A. If I did receive the e-mail and I  
23 did read it, I would have been aware of it.  
24 Q. Whether or not you aware of it, if  
25 you received the e-mail --

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1 McDonald  
2 A. I would have disagreed with it.  
3 MR. LOUGHLIN: Let him finish the  
4 question.  
5 Q. Let me finish.  
6 A. I would have disagreed with it,  
7 but if I had received it and read it, I would  
8 have been aware of it.  
9 Q. Do you have any reason to think  
10 you did not receive this e-mail?  
11 A. Only that I don't recall it.  
12 Q. Does the fact that you don't  
13 recall it make you think you didn't receive  
14 it?  
15 MR. LOUGHLIN: Objection.  
16 MR. ZWERLING: Objection.  
17 MR. LOUGHLIN: You're inviting him  
18 to speculate.  
19 MR. ZWERLING: He's already  
20 answered he can't recall it.  
21 Q. I'm asking do you have a reason to  
22 think that you didn't get it?  
23 A. I don't recall receiving the  
24 e-mail.  
25 Q. Do you dispute that you received

1 McDonald  
2 it?  
3 MR. LOUGHLIN: Objection.  
4 MR. ZWERLING: He already answered  
5 the question, if he doesn't recall it,  
6 that's the answer.  
7 A. If I don't recall it how can I  
8 dispute it?  
9 MR. TZANETOPOULOS: Mark this  
10 Exhibit 7, for identification.  
11 (Plaintiff's Exhibit 7, e-mail  
12 chain and affiliation agreement, marked  
13 for identification, as of this date.)  
14 MR. TZANETOPOULOS: Let's go off  
15 the record.  
16 (Whereupon, an off-the-record  
17 discussion was held.)  
18 (Time noted: 11:43 a.m.)  
19 (Time noted: 11:50 a.m.)  
20 MR. TZANETOPOULOS: We are back on  
21 the record.  
22 Q. Mr. McDonald, have you had a  
23 chance to review Deposition Exhibit 7?  
24 A. Yes.  
25 Q. Exhibit 7 is an e-mail string and

45  
1 McDonald  
2 an attachment bearing Bates numbers ROSS008477  
3 through 8492.  
4 The very first page is an e-mail  
5 from Mr. Romero to Dr. Thomas Shepherd which  
6 shows a copy going to the e-mail address  
7 HAM9001@NYP.org.  
8 Was that your e-mail address?  
9 A. Yes.  
10 Q. The next e-mail address on the cc  
11 line is DJG9001@NYP.org.  
12 Is that Mr. Gio's e-mail address?  
13 A. I'm not sure.  
14 Q. Did you receive a copy of this  
15 e-mail?  
16 A. I don't recall.  
17 Q. Did you have any discussions at  
18 this time with Mr. Romero about what parts of  
19 Ross' contract proposal that are discussed  
20 here would be acceptable to the hospital and  
21 what wouldn't?  
22 A. I don't recall.  
23 Q. Is there anything that would  
24 refresh your recollection on that point that  
25 you can think of?



1 McDonald  
2 A. I recall general discussions  
3 related to residency programs and the  
4 undergraduate programs focusing on the ability  
5 of the hospitals to absorb the students.  
6 Q. Anything else?  
7 A. No.  
8 Q. All right.  
9 Let me direct your attention back  
10 again to Exhibit 1, that's the affiliation  
11 agreement. Let's start at the very last page  
12 which is the fax cover sheet, it is titled St.  
13 Vincent's CMC.  
14 MR. LOUGHLIN: Are you referring to  
15 Exhibit 1?  
16 MR. ZWERLING: I don't have that  
17 page, but --  
18 MR. TZANETOPOULOS: Here you go.  
19 Q. At this time were you located at  
20 St. John's Hospital, is that where you were  
21 officed?  
22 A. I was back and forth between St.  
23 John's and Mary Immaculate.  
24 Q. Who asked you to sign this  
25 contract in Exhibit 1?

1 McDonald  
2 MR. ZWERLING: Are you asking him  
3 to speculate?  
4 MR. TZANETOPOULOS: I'm asking what  
5 he thinks.  
6 MR. ZWERLING: You're asking him to  
7 speculate, he said he can't recall. If  
8 you're asking him to speculate, he's  
9 speculating.  
10 A. I don't recall signing the  
11 document. I recall all the operational  
12 issues, I recall working with Dr. Mandava,  
13 that was the medical director at Caritas to  
14 assure that we would be able to manage the  
15 education of the students.  
16 MR. LOUGHLIN: Let's go off the  
17 record.  
18 (Whereupon, an off-the-record  
19 discussion was held.)  
20 (Time noted: 11:56 a.m.)  
21 (Time noted: 11:57 a.m.)  
22 MR. TZANETOPOULOS: Let's go back  
23 on the record.  
24 Q. To be thorough, let me ask one  
25 more question about Exhibit 1. Did you read

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1 McDonald  
2 A. I don't recall.  
3 Q. Who presented it to you?  
4 A. I don't recall.  
5 Q. Had the final version of the  
6 contract been presented to the hospital's  
7 legal counsel for check off before you signed?  
8 A. I'm not sure, I don't recall.  
9 Q. In the ordinary course of how you  
10 conducted your business at the time, would you  
11 have signed a contract like that in Exhibit 1  
12 without first knowing that the hospital's  
13 legal counsel had checked off?  
14 A. In the normal course of business,  
15 I would have made sure the hospital's legal  
16 counsel agreed to it and had reviewed it.  
17 Q. Had Dominick Gio checked off on  
18 this contract before you signed it?  
19 A. In the normal course of business,  
20 Dominick who have also reviewed it and  
21 approved it.  
22 Q. Before you signed it?  
23 A. Before I signed it.  
24 Q. Do you think that's what happened  
25 here?

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1 McDonald  
2 it before you signed it?  
3 A. In the normal course of business,  
4 I would have.  
5 Q. Did you in this case?  
6 A. I don't recall.  
7 Q. All right.  
8 At any time before you left  
9 Wyckoff had anyone criticized you for signing  
10 the contract that is in Exhibit 1?  
11 A. No, that I would recall.  
12 Q. At any time before you left  
13 Wyckoff, has anyone from Wyckoff or Brooklyn-  
14 Queens Health Care or Caritas suggested that  
15 you did not have the authority to sign the  
16 contract that is in Exhibit 1?  
17 A. No.  
18 Q. Did you have anything to do with  
19 negotiating or having signed the first  
20 amendment to the affiliation agreement that's  
21 Exhibit 1?  
22 A. Not that I can recall.  
23 Q. The second amendment to this  
24 contract?  
25 A. I can't recall amendments to the

1 McDonald  
2 contract.  
3 MR. TZANETOPOULOS: Mark these as  
4 Exhibits 8 and 9, for identification.  
5 (Plaintiff's Exhibits 8 and 9,  
6 affiliation agreements, marked for  
7 identification, as of this date.)  
8 **Q. Mr. McDonald, have you had a**  
9 **chance to review Exhibits 8 and 9?**  
10 A. Yes.  
11 **Q. Did you perform any work in**  
12 **connection with the first amendment in**  
13 **Exhibit 8?**  
14 A. No.  
15 **Q. Did you perform any work in**  
16 **connection with the second amendment to the**  
17 **contract in Exhibit 9?**  
18 A. No.  
19 MR. TZANETOPOULOS: I'll leave it  
20 to the rest of the group, I probably have  
21 an hour, we can break for a lunch break  
22 or take five minutes or carry on.  
23 Let's go off the record.  
24 (Whereupon, an off-the-record  
25 discussion was held.)

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1 McDonald  
2 (Time noted: 12:08 p.m.)  
3 (Time noted: 12:17 p.m.)  
4 MR. TZANETOPOULOS: Let's go back  
5 on the record.  
6 **Q. Let's go back sir and talk about**  
7 **the original affiliation agreement. Was the**  
8 **money that Ross promised to pay in the**  
9 **original affiliation agreement in Exhibit 1**  
10 **received?**  
11 A. It is my recollection that it was  
12 received, I don't recall the exact amount.  
13 **Q. Was it spent?**  
14 A. Everything was spent.  
15 MR. TZANETOPOULOS: Mark this  
16 Exhibit 10, for identification.  
17 (Plaintiff's Exhibit 10, promissory  
18 note agreement, marked for identifica-  
19 tion, as of this date.)  
20 **Q. Mr. McDonald, the court reporter**  
21 **has handed you a document marked Exhibit 10.**  
22 **Exhibit 10 is entitled promissory note, on the**  
23 **last page it has signatures for AUC, NV,**  
24 **Brooklyn-Queens Health Care Caritas Health**  
25 **Care and Wyckoff Heights Medical Center.**

1 McDonald  
2 **Did you work on this transaction?**  
3 A. I was involved in the initial  
4 discussions, I was at the dinner meeting and  
5 that was my extent of involvement.  
6 **Q. Who was at that dinner meeting?**  
7 A. Representative from AUC and  
8 representatives from Wyckoff.  
9 **Q. Who from Wyckoff?**  
10 A. I don't recall exactly.  
11 **Q. Do you remember anybody other than**  
12 **you?**  
13 A. I seem to recall just myself and  
14 the attorney for AUC.  
15 **Q. Okay.**  
16 A. Those are the two that stand out  
17 in my mind.  
18 **Q. You do believe others from Wyckoff**  
19 **were there?**  
20 A. Yes, and I think others from CMC,  
21 but I'm not sure.  
22 **Q. Where was that meeting?**  
23 A. At a restaurant in Queens.  
24 **Q. I know you're not going to know**  
25 **the precise date give or take, what's the best**

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1 McDonald  
2 **you can do in terms of its time frame?**  
3 A. Would have been the Fall of 2006,  
4 early winter, could have been late winter.  
5 MR. ZWERLING: Of 2007?  
6 A. 2006.  
7 **Q. You think its sometime --**  
8 A. Now that I have got a better grasp  
9 of the seasons, it would have been most likely  
10 the fourth quarter 2006, we will leave out the  
11 seasons.  
12 **Q. Was it before the December 1st,**  
13 **2006 date of this promissory note?**  
14 A. Yes.  
15 **Q. All right.**  
16 **The purpose of the meeting was to**  
17 **discuss the potential transaction?**  
18 A. Yes.  
19 **Q. Again, I know you're not going to**  
20 **recall the exact words, but in substance who**  
21 **said what to whom?**  
22 A. It was a social dinner meeting and  
23 so there was discussion with different people  
24 as the night progressed.  
25 **Q. Were the terms of the potential**



1 McDonald  
 2 clerkship contract discussed?  
 3 A. You know what, I'm not sure what  
 4 terms were discussed, but it was a social  
 5 business dinner.  
 6 Q. Let me direct your attention if I  
 7 may to paragraph four of Exhibit 10 that's on  
 8 page six of the exhibit. That paragraph  
 9 begins, "Brooklyn-Queens acknowledges and  
 10 decrees on behalf of its wholly owned  
 11 subsidiary Wyckoff, any default as defined in  
 12 section two paragraph five herein by  
 13 Brooklyn-Queens, Caritas, MIH, SJQH  
 14 individually and collectively during the term  
 15 of the note will obligate Wyckoff to assume  
 16 responsibility for this note agreement."  
 17 Did the potential of using Wyckoff  
 18 as a backstop for this sort of transaction  
 19 come up during your dinner?  
 20 A. I don't remember.  
 21 My focus for the evening was on  
 22 the quality and number of the rotations at  
 23 Caritas and how he would be able to manage the  
 24 education.  
 25 Q. All right.

55

1 McDonald  
 2 Again, if I can direct your  
 3 attention to the last page of the exhibit,  
 4 page 10 of 10, do you recognize Mr. Gio's  
 5 signature?  
 6 A. Yes.  
 7 Q. I take it you were familiar with  
 8 his signature?  
 9 A. Yes.  
 10 Q. That is his signature on behalf of  
 11 Brooklyn-Queens Health Care and of Caritas  
 12 Health Care Planning and on behalf of Wyckoff  
 13 Heights Medical Center?  
 14 A. Yes.  
 15 Q. Other than what you have testified  
 16 to, did you do any other work in connection  
 17 with the AUC prepaid contract described in the  
 18 promissory note in Exhibit 10?  
 19 A. Just the management of the  
 20 rotations at Caritas.  
 21 Q. Who was responsible for placing  
 22 schedules of students, placing them in the  
 23 rotation?  
 24 A. Julius Romero.  
 25 Q. Was Mr. Romero responsible for

1 McDonald  
 2 placement of scheduling at both Caritas and  
 3 Wyckoff?  
 4 A. Yes.  
 5 Q. We know there were medical student  
 6 clerks at the Caritas hospitals.  
 7 Is that correct?  
 8 A. Yes.  
 9 Q. They were also medical student  
 10 clerks at Wyckoff?  
 11 A. Yes.  
 12 Q. Did Brooklyn-Queens Health Care  
 13 have an interest in any other facilities where  
 14 medical students did clerkships?  
 15 A. At Caritas?  
 16 Q. We knew there were Caritas, we  
 17 know there were at Wyckoff, did the system  
 18 have any other Brooklyn-Queens Health Care  
 19 system have any other affiliates with --  
 20 A. Kennedy Medical Center.  
 21 Q. What's the Kennedy Medical Center?  
 22 A. It is an or it was an ambulatory  
 23 facility at Kennedy Airport. St. John's had a  
 24 large ambulatory site at 95-25 Queens  
 25 Boulevard, outpatient, it is a detox program

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1 McDonald  
 2 that Mary Immaculate had. Part of Mary  
 3 Immaculate was also they had a 110-bed skilled  
 4 nursing facility Monsignor Fitzpatrick, and  
 5 they had a psych operation at Mary Immaculate  
 6 also.  
 7 Q. When St. John's Hospital and Mary  
 8 Immaculate Hospitals closed in early 2009, did  
 9 Wyckoff or Brooklyn-Queens Health Care  
 10 continue to have an interest in any of those  
 11 facilities that you just described?  
 12 A. Not to my knowledge.  
 13 Q. Is it correct that once Mary  
 14 Immaculate and St. John's closed in 2009, the  
 15 only Brooklyn-Queens Health Care facility with  
 16 medical student clerkships was Wyckoff?  
 17 A. No, actually there was another  
 18 site I think that was sold off to Addabo  
 19 (phonetic), it was a family practice site and  
 20 ambulatory family practice site in I forget  
 21 the address, I forget the name of it.  
 22 Q. When was that site sold off?  
 23 A. I don't remember. I wasn't  
 24 involved with the operations at the Caritas  
 25 from the Spring '07 on.

1 McDonald  
2 Q. I guess what I'm trying to get my  
3 arms around, one, Caritas closed.  
4 Is it correct that the only  
5 Brooklyn-Queens Health Care facilities with  
6 medical student clerks was Wyckoff?  
7 A. I wasn't involved with any of the  
8 bankruptcy closings at Caritas so I'm not sure  
9 if there were educational opportunities that  
10 remained after the fact.  
11 Q. Are the only ones that you knew of  
12 at Wyckoff?  
13 A. I know that Wyckoff did try to,  
14 actually submitted a grant to maintain the  
15 clinics at 95-25, and that wasn't approved.  
16 And I just wasn't involved, the only Wyckoff  
17 effort towards maintaining any of the Caritas  
18 facilities to my knowledge was just the  
19 clinics at St. John's which were substantial,  
20 it was a fairly large operation. I think the  
21 family practice site is still in operation but  
22 I'm not sure, under somebody else, a different  
23 sponsorship.  
24 MR. TZANETOPOULOS: Mark this as  
25 Exhibit 11, for identification.

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1 McDonald  
2 (Plaintiff's Exhibit 11, memo,  
3 marked for identification, as of this  
4 date.)  
5 Q. Mr. McDonald, the court reporter  
6 has handed to you a document he marked as  
7 Exhibit 11. It's a two-page memo from Emil  
8 Rucigay dated July 30th, 2007 bears Bates  
9 numbers BQHC13452 and 13453. The first  
10 question on terminology, a number of documents  
11 that the defendants have produced in this case  
12 refer to the senior cabinet of different  
13 hospital entities.  
14 To your understanding what's the  
15 reference, whose encompassed in the senior  
16 cabinet?  
17 A. It is the executive team and the  
18 vice presidents.  
19 Q. All right.  
20 So in this case at this time that  
21 would include you?  
22 A. Yes.  
23 Q. I take it you remember the arrival  
24 of FTI at the hospitals?  
25 A. Absolutely.

1 McDonald  
2 Q. Did you receive the memo in  
3 Exhibit 11?  
4 A. I don't recall the memo but I  
5 certainly recall everything that is in the  
6 memo.  
7 Q. Were you involved in the  
8 discussions with the State that led to FTI's  
9 arrival at the hospitals?  
10 A. Yes.  
11 Q. What was your involvement in those  
12 discussions?  
13 A. It was my responsibility to go to  
14 the central business office to determine the  
15 fix that is needed to be implemented and to  
16 put together a corrective action plan to get  
17 those fixes in place as quickly as possible.  
18 Q. With whom at the State did you  
19 speak?  
20 A. We spoke to a number of people.  
21 There were numerous conference calls, there  
22 were a couple of meetings, it was Jim Klein  
23 was the primary individual that we dealt with.  
24 Q. A fellow named Benjamin?  
25 A. Neil Benjamin, Neil reported to

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1 McDonald  
2 Jim at the time.  
3 Q. Okay.  
4 What were the problems that  
5 required the fixes that you have just  
6 testified about?  
7 A. The most significant fixes were to  
8 the computer systems to correct the problems  
9 with the billing process at Caritas.  
10 Q. What were those problems?  
11 A. The inability to create a bill,  
12 the inability to submit the bill to a payer,  
13 the inability for the edits in the hospital  
14 system to let the bill as they say in the  
15 business go out the door. The ability for the  
16 payers to receive the bill from Caritas, so  
17 there were a series of problems in the system  
18 that needed to be corrected.  
19 Q. What other problems were there  
20 that you were to address?  
21 A. It was business office growing  
22 pains that needed to be corrected. Before  
23 that time there was a CMC central business  
24 office and Wyckoff had its own business office  
25 located at Wyckoff. So Wyckoff moved its

1 McDonald  
 2 business office and consolidated with the  
 3 Catholic Medical Center business office, and  
 4 it was the integration of the systems and the  
 5 integration of the staff, and while going up  
 6 on a new computer system made the whole  
 7 process challenging, to say the least.  
 8 **Q. What are the problems that were**  
 9 **addressed?**  
 10 A. In reference to?  
 11 **Q. Whatever corrective action you**  
 12 **have testified about?**  
 13 A. In reference to the leadership at  
 14 the business office which was the CFO in  
 15 charge, the business office was Hal McNeil and  
 16 to sit with him and take a look and see what  
 17 was working and what wasn't working and what  
 18 was reported timely to management and what  
 19 wasn't reported timely, and the movement of  
 20 funds from one organization to another  
 21 organization. Cash flow projections, so the  
 22 operations of the business office and also the  
 23 reporting of the financial condition of the  
 24 individual business entities.  
 25 **Q. On that last point of the movement**

1 McDonald  
 2 **funds had been commingled?**  
 3 A. Well, at that point we are burning  
 4 through cash rather quickly and the announce-  
 5 ment that we couldn't drop a bill was pretty  
 6 devastating. So at that point it was all  
 7 hands over to the business office and let's  
 8 find out what's happening there, what do we  
 9 need to do to pull together to get the problem  
 10 fixed.  
 11 **Q. Is it the case that Caritas' funds**  
 12 **were in fact used to pay Wyckoff's bills?**  
 13 A. Funds were being moved around to  
 14 cover the cash needed for a specific point in  
 15 time. So there were Caritas funds going to  
 16 pay for Wyckoff liabilities and Wyckoff funds  
 17 going to pay for Caritas liabilities. There  
 18 was a thorough accounting done and it was  
 19 determined exactly who owed who what.  
 20 **Q. So what you found when you looked**  
 21 **into it was that whichever entity had cash,**  
 22 **those funds were being used to pay bills**  
 23 **regardless of the entity whose bills they**  
 24 **were?**  
 25 A. Correct.

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1 McDonald  
 2 **of funds between entities, defendant produced**  
 3 **some documents that you can look at that have**  
 4 **indicated that funds from Caritas were**  
 5 **commingled with funds from Wyckoff and to pay**  
 6 **Wyckoff's bills.**  
 7 **Were you involved in the**  
 8 **investigation or the remedy regarding that**  
 9 **commingling?**  
 10 A. Yes.  
 11 **Q. Were you involved in the investi-**  
 12 **gation?**  
 13 A. Yes.  
 14 **Q. How did the problem come to light?**  
 15 A. The problem came to light when we  
 16 received notice at St. John's that we couldn't  
 17 drop bills. So I mentioned earlier where your  
 18 receivables ramp up, there comes a point in  
 19 time, three weeks, four weeks, five weeks into  
 20 the new sponsorship where we should start  
 21 dropping bills and generating cash flow, and  
 22 it was announced to myself and Rich Sarli that  
 23 there was a problem with the computer system  
 24 and we couldn't drop the bill.  
 25 **Q. How did that lead to learning**

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1 McDonald  
 2 **Q. During what period of time was**  
 3 **cash being moved between entities in that**  
 4 **fashion?**  
 5 A. I can't remember the exact date,  
 6 but it would have been the early part of first  
 7 quarter of 2007.  
 8 **Q. Who had authorized the use of one**  
 9 **entity's funds for the other entity's bills?**  
 10 A. It wasn't authorized.  
 11 **Q. Who had done it?**  
 12 A. Hal McNeil.  
 13 **Q. How did he do that, mechanically**  
 14 **how did he move the money?**  
 15 A. He would be paying different  
 16 vendors from different accounts.  
 17 **Q. So in some instances Mr. McNeil**  
 18 **would pay Wyckoff's vendors with Caritas'**  
 19 **funds and in other instances Caritas' vendors**  
 20 **with Wyckoff's funds?**  
 21 A. Correct.  
 22 **Q. All right.**  
 23 **During that period of time when**  
 24 **Mr. McNeil was doing so, what was the process**  
 25 **for getting a vendor paid for either of the**

1 McDonald  
2 entities?  
3 A. There should have been a voucher  
4 system in place where the expense invoice  
5 would be identified for the correct  
6 institution and it would have been processed  
7 for that institution and paid through the  
8 funds of that specific institution.  
9 MR. TZANETOPOULOS: Can you read  
10 the question back, please.  
11 (Whereupon the aforementioned  
12 testimony was read back by the Court  
13 Reporter.)  
14 Q. You described what should have  
15 been done.  
16 My question was what was done?  
17 A. There were improprieties related  
18 to the transfer of funds and the use of funds,  
19 I can't recall exactly what they were, but it  
20 was done inappropriately.  
21 Q. Were there more people during that  
22 period of time when there were improprieties  
23 involved in the actual receipt and writing of  
24 checks to pay vendors than Mr. McNeil, or was  
25 he just a one-person shop?

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1 McDonald  
2 A. Mr. McNeil was in charge of a  
3 large business office, and there were numerous  
4 departments and numerous employees.  
5 Q. In order to engage in the transfer  
6 of funds that you described as being improper,  
7 more people than Mr. McNeil would have been  
8 involved in getting those bills paid from  
9 whatever funds were available?  
10 A. Yes.  
11 Q. Which people?  
12 A. Accounts payable, purchasing.  
13 Q. What did you do to investigate?  
14 A. Went in, took a look at what was  
15 happening in the business office, and we had  
16 Deloitte come in and do forensic audit. We  
17 brought in FTI Cambio initially to take a look  
18 at the receivables, and we brought in a number  
19 of consultants that were familiar with the  
20 Meditech computer system to get the fixes in  
21 place for the computer system.  
22 And so it was bringing in  
23 additional staff and additional expertise to  
24 fix the problems that were happening in the  
25 business office and to determine what the

1 McDonald  
2 systems and the policies and procedures were  
3 in the office that needed to be corrected.  
4 Q. Who was in charge of the investi-  
5 gation?  
6 A. The internal investigation or the  
7 audit?  
8 Q. The internal investigation.  
9 A. I was in charge of the internal  
10 investigation.  
11 Q. Did you determine that anybody  
12 other than Mr. McNeil knew about the fact that  
13 the funds were being transferred from one  
14 entity to another?  
15 A. Yes, I'm not sure who knew Hal  
16 McNeil had the authority to release the  
17 checks.  
18 Q. My question was did your  
19 investigation determine that anybody else knew  
20 that this was being done?  
21 A. My investigation was focused on  
22 the revenue cycle. We had thousands of  
23 employees who needed to live on that paycheck  
24 they got every other week, so the bulk of my  
25 time that was spent in the business office was

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1 McDonald  
2 trying to figure out how to fix the problems  
3 with the accounting system so we would get  
4 bills out the door, we can start getting cash  
5 in.  
6 The investigation of Hal McNeil  
7 was relatively quick and it was clear that  
8 there were cash flow statements that were  
9 produced that were inaccurate and that the  
10 cash was moving back and forth. And it was a  
11 quick decision to terminate Hal McNeil for two  
12 reasons, one because the problems with the  
13 system and I believed he was aware of early  
14 enough that something could have been done to  
15 prevent the catastrophe we had.  
16 The other was covering up in the  
17 problem, moving cash around to make it appear  
18 we had enough cash that we weren't running  
19 into a problem. The third piece was producing  
20 cash flow statements that were totally  
21 inaccurate when the problem was pretty  
22 significant. He was terminated because he  
23 covered up because he moved funds and because  
24 he didn't ask for help when he needed help.  
25 Q. Okay.

1 McDonald  
2 Let's go back to my precise  
3 question which was in your investigation did  
4 you determine whether anybody other than Mr.  
5 McNeil knew that money was being moved  
6 inappropriately?  
7 A. I can't recall.  
8 Q. You testified earlier about  
9 Caritas having a limited amount of working  
10 capital in the revenue cycle.  
11 How much working capital was  
12 available to Caritas during those initial  
13 months?  
14 A. About 10 million if I remember  
15 correctly.  
16 Q. From whom was that working capital  
17 provided?  
18 A. It was a combination of borrowing  
19 advance payments and part of the deal with St.  
20 Vincent's.  
21 Q. The advance payments, those would  
22 be advance payments from Ross and AUC on the  
23 clerkship contracts?  
24 A. Part of it.  
25 You know what, I'm not sure if it

1 McDonald  
2 Q. Was Mr. Hsu part of your team that  
3 investigated the issues that you described?  
4 A. Yes.  
5 Q. At this time what was his  
6 position?  
7 A. He was the chief financial officer  
8 for Wyckoff.  
9 Q. Do you recognize the document  
10 that's a spreadsheet?  
11 A. You know, I know that there was a  
12 spreadsheet, I can't say this is the exact  
13 spreadsheet, but there was an accounting of  
14 the to due from.  
15 Q. Mr. Hsu was given the task of  
16 preparing?  
17 A. Yes.  
18 Q. Do you understand the spreadsheet  
19 in the exhibit enough to be able to describe  
20 it? Describe what is being described there.  
21 A. I can say it is a reconciliation  
22 of funds that went from Caritas to Wyckoff and  
23 from Wyckoff to Caritas.  
24 Q. There is a column headed Caritas  
25 to Wyckoff Heights Medical Center.

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1 McDonald  
2 was 10 million, I'm not sure of the exact  
3 amount.  
4 Q. Was some or all of the Caritas  
5 money that was used to pay Wyckoff bills funds  
6 received from Ross and AUC?  
7 A. I don't recall the details.  
8 MR. TZANETOPOULOS: Mark this  
9 Exhibit 12, for identification.  
10 (Plaintiff's Exhibit 12, e-mail,  
11 marked for identification, as of this  
12 date.)  
13 Q. Mr. McDonald, the court reporter  
14 has handed to you a document marked deposition  
15 Exhibit 12. The exhibit itself is a two-page  
16 document, an e-mail dated March 6th, 2007 from  
17 Wah-Chung Hsu to a number of people, and  
18 another page Bates labeled BQHC06981.  
19 So the record is clear, the e-mail  
20 and attachments were produced in a native  
21 format, some documents were very large. In  
22 order make the document manageable we selected  
23 one of the attachments, just a spreadsheet  
24 that you see there.  
25 A. Yes.

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1 McDonald  
2 What do you understand that to  
3 reflect?  
4 A. These were funds that went from  
5 Caritas to Wyckoff.  
6 Q. As you understand it, were the  
7 funds first transferred from a Caritas account  
8 to a Wyckoff account and then Wyckoff bills  
9 were paid or was it the case Wyckoff bills  
10 were paid out of the Caritas account?  
11 A. Can you restate the question.  
12 Q. Sure.  
13 The round numbers make me curious.  
14 Is it the case --  
15 A. It was just moving lump sums of  
16 money to cover specific checks that would be  
17 cut.  
18 Q. So when checks were cut to a  
19 Wyckoff vendor, the check was from a Wyckoff  
20 account but money was moved from Caritas to  
21 cover it?  
22 MR. ZWERLING: If you know.  
23 A. And back and forth.  
24 Q. All right.  
25 Mr. McDonald, let me refer you



1 McDonald  
2 back to Exhibit 10, it is the AUC agreement.  
3 The agreement reflects that AUC was to pay  
4 \$3.5 million.  
5 Did AUC in fact pay that money?  
6 A. I don't recall the exact amount.  
7 Q. They did pay in though?  
8 A. They paid, yes.  
9 Q. If we can go back to Exhibit 1  
10 which is the Ross affiliation agreement, if I  
11 can direct your attention to Exhibit B to the  
12 Ross contract, it provides that the university  
13 will deposit with Brooklyn-Queens Health Care  
14 \$5 million.  
15 I would like to see if I can  
16 trigger some recollections from your  
17 investigation. AUC agreements says that as of  
18 December 1st it was going to pay \$3.5 million,  
19 and we see that on December 8th and  
20 December 22nd about \$3.4 million went from  
21 Caritas to Wyckoff.  
22 Is that correct?  
23 MR. ZWERLING: Are you referring  
24 Exhibit 12, the second page?  
25 Q. Yes.

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1 McDonald  
2 Then we have the Ross contract as  
3 of December 28th and Ross promised to pay \$5  
4 million, on December 29th Exhibit 12 reflect  
5 four and a half million going from Caritas to  
6 Wyckoff.  
7 Was it the case that Mr. McNeil  
8 was using the AUC funds, the \$3.5 million to  
9 make the 3.4 million transfer and the Ross \$5  
10 million to make the December 29th four and a  
11 half million dollars transfer?  
12 MR. ZWERLING: Only if you know.  
13 A. I don't remember, I don't recall.  
14 Q. Were there other sources of funds  
15 available to Caritas at that time for Mr.  
16 McNeil to make those transfers? Let me  
17 preface that question for a second.  
18 The Caritas transaction closed  
19 December 1st, 2007, right?  
20 A. Yes.  
21 Q. Did Wyckoff have access to Caritas  
22 funds at any time before January 1st, 2007?  
23 MR. ZWERLING: You gave the wrong  
24 date.  
25 MR. TZANETOPOULOS: I'll start

1 McDonald  
2 over. Strike that.  
3 Q. The Caritas purchase closed  
4 January 1st, 2007.  
5 Is that correct?  
6 A. Yes.  
7 Q. Did Wyckoff have access to  
8 Caritas' funds at any time before January 1st,  
9 2007?  
10 A. I don't recall the exact date, but  
11 there was a period of time where because there  
12 was no Caritas until it was provided by New  
13 York State where there were expenses related  
14 to the acquisition that were being paid for by  
15 Wyckoff with the understanding that the money  
16 that Wyckoff was laying out would eventually  
17 be returned, these were in the millions of  
18 dollars. And then there were additional  
19 expenses that Wyckoff began assuming for the  
20 closing of the deal prior to January 1st. The  
21 establishment of the business office began in  
22 Fall 2006, definitely long before the close  
23 took place there was money that was being sent  
24 by Wyckoff prior to January 1st.  
25 Q. Those would be Wyckoff's

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1 McDonald  
2 expenditures of Wyckoff's funds, correct?  
3 A. They would be liabilities of the  
4 Caritas organization that were being paid for  
5 by Wyckoff.  
6 Q. That was Wyckoff's funds?  
7 A. Out of Wyckoff's funds they were  
8 limited.  
9 Q. My question is running the other  
10 direction which is before January 1st, 2007,  
11 did Wyckoff have access to Caritas' funds?  
12 A. They had access to funds once the  
13 funds were deposited and with the  
14 organization.  
15 Q. Is it your testimony that Wyckoff  
16 had access to --  
17 A. Caritas had access.  
18 MR. ZWERLING: The question was  
19 asking also for a specific time as to a  
20 specific time frame. Not just generally;  
21 am I correct?  
22 MR. TZANETOPOULOS: Right, let me  
23 start again, this is a very precise  
24 question.  
25 Q. Let me, I'll be transparent in

1 McDonald  
2 what I am asking. Exhibit 12 reflects that  
3 money was moved in December 2006 from Caritas  
4 accounts to Wyckoff Heights Medical Center.  
5 That's a period of time before the acquisition  
6 of Caritas closed.  
7 The question is did Wyckoff have  
8 access to Caritas' funds before January 1st,  
9 2007?  
10 A. I'm not sure, I don't think, I'm  
11 not sure.  
12 MR. ZWERLING: Then that's the  
13 answer.  
14 A. There should be an accounting --  
15 MR. ZWERLING: Do you know?  
16 THE WITNESS: I don't know.  
17 MR. ZWERLING: That's the answer.  
18 Q. Okay.  
19 Are you aware of any source of  
20 funds during December 2006 other than funds  
21 received from AUC or Ross that Mr. McNeil  
22 could have moved from Caritas to Wyckoff?  
23 A. I don't recall.  
24 Q. While on Exhibit 12 if I can  
25 direct you to the e-mail on the first page of

1 McDonald  
2 Exhibit 13, for identification.  
3 (Plaintiff's Exhibit 13, e-mail  
4 chain and attachment, marked for  
5 identification, as of this date.)  
6 Q. When was all of this reported to  
7 the State?  
8 MR. ZWERLING: When was all of what  
9 reported to the State?  
10 MR. TZANETOPOULOS: The commingling  
11 of funds.  
12 MR. LOUGHLIN: I object to the use  
13 of the term commingling of funds. I  
14 think the document is actually headed  
15 transfers, and I think the witness has  
16 testified these were unauthorized  
17 transfers leading to the termination of  
18 the CFO.  
19 Q. When were these transfers in  
20 Exhibit 12 reported to the State?  
21 MR. LOUGHLIN: I object as well,  
22 you say the State in your exhibit which  
23 is Exhibit 13. There are references both  
24 to the Dormitory Authority of the State  
25 of New York and also the Department of

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1 McDonald  
2 the exhibit.  
3 Mr. Gio we know, who was Neil  
4 Benjamin?  
5 A. Neil Benjamin was an employee of  
6 the Department of Health.  
7 Q. Edward Dowling?  
8 A. Was an employee of Brooklyn-Queens  
9 Health Care.  
10 Q. What was Mr. Dowling's job?  
11 A. Strategic planning.  
12 Q. Mr. Hoffman we know, do you know  
13 who DSB10 from the State, do you know who that  
14 is?  
15 A. No.  
16 Q. DVW?  
17 A. I'm not sure.  
18 Q. Lora L-E-F-E-B-V-R-E?  
19 A. From the Department of Health.  
20 Q. MVG?  
21 A. Not sure.  
22 Q. And Richard Zall, Z-A-L-L?  
23 A. Attorney from Proskauer, Wyckoff's  
24 attorney.  
25 MR. TZANETOPOULOS: Mark this

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1 McDonald  
2 Health.  
3 MR. TZANETOPOULOS: Go ahead.  
4 MR. LOUGHLIN: The witness can  
5 specify, but I don't know whether you're  
6 referring to either the Dormitory  
7 Authority or the Department of Health.  
8 MR. TZANETOPOULOS: You've made  
9 your objection.  
10 A. As per this document, it was March  
11 6th, 2007, the exact amounts were sent to  
12 them.  
13 Q. Had the fact that funds been  
14 transferred between entities been reported to  
15 state agencies earlier than March 6th?  
16 A. I'm not sure, I don't recall.  
17 Q. All right.  
18 Who was in charge on the hospital  
19 side of interacting with the State concerning  
20 this issue, the State Department of Health?  
21 A. It was a team.  
22 Q. Who was on that team?  
23 A. Dominick Gio, myself, Ed Dowling,  
24 David Hoffman.  
25 Q. Did any of those people have



1 McDonald  
2 principal day to day responsibility for the  
3 interactions?  
4 A. The interactions weren't  
5 day-to-day, they were week to week. No set  
6 time schedule, but as I can recall probably  
7 once a week on average.  
8 Q. On your side was there someone who  
9 was the principal liaison for communications  
10 with the State Department of Health?  
11 A. It was again the phone calls, the  
12 correspondence was usually everybody was cc'd,  
13 so if you're looking for one person who headed  
14 up the communications, probably me.  
15 Q. Let me show you what has been  
16 marked as Deposition Exhibit 13. It is an  
17 e-mail string and attachment that has been  
18 marked with Bates numbers BQHC07617 through  
19 7623, and again so the record is clear, there  
20 were a few attachments produced by the  
21 defendants but to keep the size manageable, we  
22 attached here only the one. Go ahead, take a  
23 look, let me know when you are ready. I take  
24 it back, we have attached two of the three  
25 attachments.

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1 McDonald  
2 Mr. Hsu's e-mails in the exhibit  
3 have the subject line references to a Wyckoff  
4 investigation report and relevant cash flows.  
5 Is the attachment to the e-mail a  
6 report that was prepared under your  
7 supervision?  
8 A. I think I prepared it myself.  
9 Q. All right.  
10 A. If I remember correctly.  
11 Q. The attachment in Exhibit 13 is  
12 your work?  
13 A. Yes.  
14 Q. What was the purpose of which you  
15 prepared this report?  
16 A. To explain to the Dormitory  
17 Authority and the Department of Health exactly  
18 what the situation was leading up to the  
19 present state of the situation at the business  
20 office.  
21 Q. What were the sources of  
22 information from which you drew when you  
23 prepared this report?  
24 A. The information that was available  
25 to me.

1 McDonald  
2 Q. Where did you get that?  
3 A. From documents in the business  
4 office, the legal documents, documents at the  
5 executive offices.  
6 Q. Did you interview --  
7 A. Past history.  
8 Q. Did you interview any people?  
9 A. Not that I recall.  
10 Q. Did others interview people and  
11 report the results of those interviews to you?  
12 A. The financial information would  
13 have been provided for me, that likely would  
14 have come from either Rich Sarli or Wah-Chung  
15 Hsu or a combination of the two.  
16 Q. Any other interviews that were  
17 reported to you as a source for this report?  
18 A. No, just a narrative that was  
19 created by myself, written by myself.  
20 Q. Having reviewed it as you just  
21 did, is there anything in this report prepared  
22 in Exhibit 13 that you think now would be  
23 inaccurate?  
24 A. At this point in time, there has  
25 been too much time so I can't remember the

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1 McDonald  
2 accuracy of the numbers. I remember the  
3 document, I can't recall whether something  
4 after reading it now whether it is accurate or  
5 inaccurate.  
6 Q. Is the report that you prepared in  
7 Exhibit 13 an accurate reflection of what you  
8 knew at the time that you prepared the report?  
9 A. Yes.  
10 Q. When is it that you prepared the  
11 report in Exhibit 13?  
12 A. I don't remember the exact date,  
13 but if it was attached to the e-mail that was  
14 sent out on February 22nd, I'm speculating  
15 that it was prepared prior to the 22nd of  
16 February.  
17 Q. If I can direct your attention to  
18 the first page of your report in Exhibit 13,  
19 that's the one that has the identification  
20 number BQHC07619, and I would like to direct  
21 your attention to the passages following the  
22 heading anticipated potential periods of cash  
23 shortage.  
24 Do you see where I am?  
25 A. Yes.

1 McDonald  
2 Q. You write that, "The first period  
3 was anticipated just prior to the closing as  
4 some of the expenses related to the  
5 installation of the Caritas Meditech computer  
6 system and the development of the BQHC central  
7 business office would need to be paid.  
8 Wyckoff had longstanding relationships with  
9 two international medical schools that had  
10 expressed interest in investing in the Caritas  
11 project. These preclosing cash needs were  
12 expected to be funded and were funded with  
13 prepaid Caritas clerkship fees."  
14 It goes on to say Caritas received  
15 three and a half million from AUC and five  
16 million from Ross. Is that correct that  
17 passage there that it was anticipated that, is  
18 it correct that the expenses for the  
19 installation of the Meditech computer system  
20 and the development of the Brooklyn-Queens  
21 Health Care central business office were  
22 expected to be funded and were funded with  
23 those prepaid clerkship fees?  
24 A. Yes.  
25 And in addition to those funds

1 McDonald  
2 Q. By assistance you mean the State  
3 provided money to the hospitals?  
4 A. Yes.  
5 Q. Were you part of the discussions  
6 with State agencies in which they insisted on  
7 a restructuring officer?  
8 A. Yes.  
9 Q. Which State agencies were involved  
10 in those discussions?  
11 A. The Dormitory Authority and the  
12 Department of Health, the Department of Health  
13 took the lead.  
14 Q. Okay.  
15 What authority over the hospitals'  
16 operations did the State insist the  
17 restructuring officer be given?  
18 A. That they be given control,  
19 management control of the organization.  
20 Q. By organization, that's Brooklyn-  
21 Queens Health Care, Caritas and Wyckoff?  
22 A. Yes.  
23 Q. Did Brooklyn-Queens Health Care,  
24 Caritas and Wyckoff agree?  
25 A. Yes.

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1 McDonald  
2 there were Wyckoff funds that were allocated  
3 for the acquisition or the establishment of  
4 Brooklyn-Queens Health Care and Caritas, and  
5 then there were additional expenses in  
6 addition to the business office and computer  
7 expenses related to just closing the  
8 transaction.  
9 Q. At some point did one or more  
10 state agencies insist that Brooklyn-Queens  
11 Health Care Caritas and Wyckoff engage a  
12 restructuring consultant?  
13 A. Yes.  
14 Q. And what were the circumstances  
15 that led up to the State insisting that the  
16 hospitals do so?  
17 A. When Caritas and Wyckoff couldn't  
18 afford or didn't have the cash to carry the  
19 expenses of the organizations through this  
20 ramp up of the receivables period. So there  
21 was a request made by Brooklyn-Queens Health  
22 Care to the Department of Health for  
23 assistance, and the Department of Health said  
24 that we will provide assistance but only if  
25 there is a restructuring officer in place.

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1 McDonald  
2 Q. Who was the restructuring  
3 consultant that was engaged in response to the  
4 states' demand?  
5 A. FTI Cambio.  
6 Q. What people did FTI Cambio supply  
7 in its role as restructuring consultant?  
8 A. They had a team of management  
9 staff, management and staff.  
10 Q. Who was in charge of that team?  
11 A. Tom singleton.  
12 Q. Once in place was Mr. Singleton in  
13 charge of the hospital organizations?  
14 A. Yes.  
15 Q. That would be each of Brooklyn-  
16 Queens Health Care, Caritas and Wyckoff?  
17 A. Yes.  
18 Q. He brought with him somebody named  
19 Paul Goldberg, did he not?  
20 A. Yes.  
21 Q. What was Mr. Goldberg's function  
22 while he was at the hospital organizations?  
23 A. I'm not sure of his exact title,  
24 but he acted as chief financial officer.  
25 Q. Once Mr. Singleton was in place at

1 McDonald  
2 the hospital organizations, did all management  
3 at Brooklyn-Queens Health Care, Wyckoff and  
4 Caritas either report to Mr. Singleton or  
5 through someone else to Mr. Singleton?  
6 A. Yes.  
7 Q. Let me shift gears on you.  
8 At any time when you were on the  
9 Wyckoff Board of Trustees, was a medical  
10 school clerkship contract ever presented to  
11 the board for approval or disapproval?  
12 A. I don't recall.  
13 Q. You testified earlier about a  
14 request for assistance that triggered the  
15 State's demand for a restructuring consultant.  
16 How much did the State provide in  
17 connection with that request for assistance?  
18 A. I wasn't involved with it at that  
19 point in time and I can't recall exactly how  
20 much was provided.  
21 Q. Would the ballpark be tens of  
22 millions of dollars?  
23 A. Yes.  
24 Q. Did you perform any of the work in  
25 connection with closing of the Caritas

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1 McDonald  
2 hospitals when they were making plans for  
3 closure?  
4 A. The only involvement I had was to  
5 find a hospital to accept two of their  
6 patients that were having trouble. So Wyckoff  
7 took two of their patients that were difficult  
8 to place, and we provided ambulance service  
9 for both hospitals during the last few days of  
10 operation.  
11 Q. All right.  
12 Did you perform any other work in  
13 connection with planning for closing or  
14 closing the hospitals?  
15 A. No.  
16 MR. TZANETOPOULOS: Mark this  
17 Exhibit 14, for identification.  
18 (Plaintiff's Exhibit 14, minutes,  
19 marked for identification, as of this  
20 date.)  
21 MR. TZANETOPOULOS: Let's go off  
22 the record.  
23 (Time noted: 1:35 p.m.)  
24 (Time noted: 1:44 p.m.)  
25 MR. TZANETOPOULOS: We are back on

1 McDonald  
2 the record.  
3 Q. Mr. McDonald, the court reporter  
4 has handed to you a document that he has  
5 marked as Exhibit 14. Exhibit 14 is the  
6 minutes from the Wyckoff Heights Medical  
7 Center Board of Trustees meeting of  
8 December 20th, 2007.  
9 Let's start with the first page.  
10 Among the invited guests is someone named  
11 Claire with an E, Mullally, Esq.  
12 Who was Ms. Mullally?  
13 A. She is the corporate compliance  
14 officer at Wyckoff.  
15 Q. You can take a look at much of  
16 this as you would like. Where I have a  
17 question is at page four which continues a  
18 report that begins on page three, the report  
19 of chief restructuring officer, that's Mr.  
20 Singleton.  
21 Is that correct?  
22 A. Yes.  
23 Q. All right.  
24 At page four the minutes reflect,  
25 "Mr. Singleton reported that he along with Mr.

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1 McDonald  
2 Gio and Julius Romero had been negotiating  
3 with Caribbean medical schools over the last  
4 two months to generate additional cash for  
5 Wyckoff and Caritas." He stated that, "We  
6 have been successful in both cases. Wyckoff  
7 received a wire transfer today from Ross  
8 University in the amount of \$4 million for  
9 prepaid medical student clerkship rotations.  
10 This should help relieve some of the cash flow  
11 problems for Wyckoff. He mentioned that  
12 Caritas received \$3.7 million last week from  
13 Ross University."  
14 Let's go back a step before I ask  
15 a question about that. At the beginning of  
16 the minutes it reflects you were there; is  
17 that correct?  
18 A. Correct.  
19 Q. Do you recall anybody at that  
20 meeting objecting to Mr. Singleton entering  
21 into these deals with Ross?  
22 A. No.  
23 Q. At any time when you were still at  
24 Wyckoff did you have discussions with anybody  
25 concerning the decision not to provide

1 McDonald  
2 placement clerkships to Ross at Wyckoff when  
3 the Caritas hospitals closed?  
4 A. I had concerns from the very  
5 beginning that Wyckoff shouldn't be assuming  
6 any of the debts of Caritas, and that there  
7 should be protections in place to make sure  
8 that none of those liabilities fell back to  
9 Wyckoff; that was my position.  
10 Q. When the hospitals closed did you  
11 talk, before we get there, when you stated  
12 your position, to whom did you express that  
13 position?  
14 A. I expressed it to the board, to  
15 Dominick Gio, to the senior management team.  
16 Q. If we can refer back to Exhibit  
17 10 which is the promissory note we looked  
18 together at paragraph four, we know Mr. Gio  
19 signed an agreement that said that, "Brooklyn-  
20 Queens acknowledges and agrees it would  
21 obligate Wyckoff as is reflected," right?  
22 A. Yes.  
23 Q. So Mr. Gio overrode your position  
24 in that case?  
25 A. Correct.

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1 McDonald  
2 Q. We know you signed an agreement  
3 with Ross in Exhibit 1 that provides that,  
4 "Absent in the event hospitals are not  
5 operative and the university is not in  
6 material breach of the agreement, BQHC agrees  
7 to provide the university with an equivalent  
8 number of clerkships as agreed to herein at  
9 one or more of its other facilities."  
10 MR. ZWERLING: With the  
11 understanding that the agreement speaks  
12 for itself.  
13 A. I signed the document.  
14 Q. Mr. Gio I take it overrode you, if  
15 your usual practice was followed in this case  
16 too, correct?  
17 A. Well, it was my belief that  
18 Wyckoff shouldn't be assuming liabilities for  
19 Caritas, that was my belief.  
20 DI  
21 Q. But if your usual habit in  
22 connection with signing agreements was  
23 following, Mr. Gio checked off on your signing  
24 that contract.  
25 Is that correct?

1 McDonald  
2 MR. ZWERLING: I object to the  
3 question, I ask that you try to rephrase,  
4 what exactly are you asking him?  
5 MR. TZANETOPOULOS: You don't even  
6 have a place here to object so --  
7 MR. ZWERLING: Then don't answer  
8 the question.  
9 MR. LOUGHLIN: I object, the  
10 testimony he gave earlier was that it was  
11 his usual practice to read a document  
12 before signing it. And he said that he  
13 believed that he would not sign a  
14 document if it hadn't been reviewed by  
15 counsel and by Mr. Gio.  
16 Q. Does Mr. Loughlin have your view  
17 correct?  
18 A. Yes.  
19 MR. LOUGHLIN: He said he had no  
20 recollection of even signing this  
21 document.  
22 Q. Let's go back to my original  
23 question which started all of this fun. Let  
24 me start again.  
25 At the time that the Caritas

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1 McDonald  
2 hospitals closed did you participate in any  
3 discussions within the hospital organizations  
4 concerning whether or not the placement of  
5 clerkships to Ross University were to be  
6 provided at Wyckoff?  
7 A. Not that I can remember. And  
8 very, I had very little involvement with the  
9 closure of the Caritas hospitals.  
10 Q. In that early 2009 time frame when  
11 Caritas hospitals closed, did you play any  
12 part in the decision not to provide at Wyckoff  
13 with placement clerkships for those that Ross  
14 lost at the Caritas hospitals?  
15 A. I wasn't involved in the decision.  
16 Q. I'll tell you Mr. Garg, Rajiv Garg  
17 said he was the person that made the decision,  
18 he testified to that last week.  
19 At any time before he did so did  
20 he talk to you about any of the contract  
21 negotiations concerning the original  
22 affiliation agreement with Ross?  
23 A. No.  
24 Q. Did he talk to you at all about  
25 the contract with Ross before he made his

1 McDonald  
2 decision?  
3 A. No.  
4 MR. TZANETOPOULOS: Mark that  
5 Exhibit 15, for identification.  
6 (Plaintiff's Exhibit 15, minutes,  
7 marked for identification, as of this  
8 date.)  
9 Q. Page four is where I'm going to  
10 ask, but take your time.  
11 All set?  
12 A. Yes.  
13 Q. Mr. McDonald, the court reporter  
14 has handed to you a document that he has  
15 marked as Deposition Exhibit 15. It is the  
16 minutes to the January 10th, 2008 Wyckoff  
17 Heights Board of Trustees meeting. Again the  
18 first page reflects that you were there. If I  
19 can direct your attention page four of the  
20 exhibit, and in particular the passage  
21 entitled chief restructuring officer.  
22 The minutes recite that, "Ms.  
23 Singleton reported as of January 1st, 2008  
24 senior management employees from Wyckoff  
25 Heights Medical Center were transferred to the

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1 McDonald  
2 Caritas payroll. He stated it should be  
3 understood that there is a commitment on the  
4 part of Wyckoff to these employees and they'll  
5 be hired back by Wyckoff in the event anything  
6 should happen to Caritas. Mr. Singleton  
7 stated this particular move was made in order  
8 to stem the growth and money owed by Caritas  
9 to Wyckoff. He went on to say there would be  
10 an employer change for the employees working  
11 with the central business office if anything  
12 did happen to Caritas."  
13 Were you one of the people who got  
14 switched from Wyckoff to Caritas?  
15 A. Yes.  
16 Q. So this transfer discussed in the  
17 minutes did take place?  
18 A. Yes.  
19 Q. What management employees were  
20 transferred from Wyckoff's payroll to Caritas'  
21 payroll?  
22 A. I don't remember exactly, there  
23 was a list of senior executives, vice  
24 presidents.  
25 Q. Approximately how many?

1 McDonald  
2 A. I don't recall.  
3 Q. If as the note suggests Caritas  
4 had cash sufficient to make payroll for these  
5 people, what was to be gained by switching  
6 employees from the payroll of Wyckoff to  
7 Caritas?  
8 A. From the inception of Caritas  
9 before Caritas came into existence, Wyckoff  
10 had assumed the business office from CMC, so  
11 all of those employees were on the Wyckoff  
12 payroll. And there was a desire to keep them  
13 on the Wyckoff payroll and not put them on the  
14 appropriate hospitals because of union issues,  
15 delegate issues. So it was decided early on  
16 that those employees would remain on the  
17 Wyckoff payroll even though they were doing  
18 work for Caritas, so over the years that  
19 liability from Caritas to Wyckoff grew.  
20 So instead of moving the business  
21 office, rank and file staff onto the Caritas  
22 payroll, Tom Singleton decided he would move  
23 the Wyckoff senior staff over onto the Caritas  
24 payroll to balance out the expenses.  
25 Q. Okay.

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1 McDonald  
2 Did Wyckoff's books and Caritas'  
3 carry over the period you talked about, the  
4 liability for those shared services?  
5 A. On the monthly basis there should  
6 have been an accounting of whose on whose  
7 payroll and doing work for which organization,  
8 and at the end of each month it was supposed  
9 to settle on who owed who.  
10 Q. The problem here was that Caritas  
11 kept accruing liability but not paying  
12 Wyckoff?  
13 A. Correct.  
14 Q. Which gets me back to my original  
15 question that if Caritas had the cash to pay  
16 the people who were transferred, what was to  
17 be gained by transferring those people rather  
18 than just simply having Caritas pay the cash  
19 that it owed to Wyckoff, at least in those  
20 sums?  
21 A. You would have to ask Tom  
22 Singleton.  
23 Q. To your understanding was Wyckoff  
24 a party to subordination agreements with  
25 lenders to Caritas or Brooklyn-Queens Health



1 McDonald  
2 Care which it would have breached had Wyckoff  
3 received from Caritas payment of debts before  
4 the lenders received theirs?  
5 A. Not that I'm aware of, not that I  
6 can recall.  
7 Q. Was Mr. Singleton the sole  
8 authority who made these decisions to transfer  
9 these people?  
10 A. Yes.  
11 MR. TZANETOPOULOS: Mark this  
12 Exhibit 16, for identification.  
13 (Plaintiff's Exhibit 16, board  
14 minutes, marked for identification, as of  
15 this date.)  
16 Q. Ready?  
17 A. Yes.  
18 Q. All right.  
19 Mr. McDonald, the court reporter  
20 has handed you a document that he marked as  
21 Exhibit 16. It is a copy of the minutes for  
22 the December 14th, 2006 Wyckoff Heights  
23 Medical Center Board of Trustees. We will see  
24 page four there is some discussion of you  
25 reporting to the board about the acquisition

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1 McDonald  
2 transaction.  
3 That was a regular part of your  
4 job at that time, I take it?  
5 A. Yes.  
6 Q. All right.  
7 Where I have a question is on page  
8 three of the minutes, the report of the  
9 president to CEO. There the minutes say, "Mr.  
10 Gio presented the new logos for Caritas and  
11 Wyckoff Heights Medical Center. He explained  
12 that due to the acquisition of St. John's and  
13 Mary Immaculate Hospitals, new companies had  
14 to be formed, one of them being Brooklyn-  
15 Queens Health Care which is the parent company  
16 of Caritas and Wyckoff."  
17 He went on to say that, "Caritas  
18 was formed to be the license holder of St.  
19 John's and Mary Immaculate Hospitals. Mr. Gio  
20 circulated the logos and asked for approval  
21 from the board for the new logos." And the  
22 minutes reflect, "An action/recommendation on  
23 a motion properly made by Mr. Cook seconded by  
24 Dr. Rao all in favor of the logos for Caritas  
25 and Wyckoff Heights Medical Center were

1 McDonald  
2 unanimously approved by the Board of  
3 Trustees."  
4 Do you see where I am?  
5 A. Yes.  
6 Q. Is this correct sir, somebody  
7 formed a foreign corporation and the only  
8 thing that was approved was new logos?  
9 A. No, the corporations were  
10 approved.  
11 Q. Who decided to form new  
12 corporations for this transaction?  
13 A. Ultimately it is the board who  
14 approves.  
15 Q. Were the corporations formed  
16 before December 14th, 2006?  
17 A. I don't recall the exact date.  
18 MR. TZANETOPOULOS: Mark this  
19 Exhibit 17, for identification.  
20 (Plaintiff's Exhibit 17, employment  
21 agreement, marked for identification, as  
22 of this date.)  
23 MR. TZANETOPOULOS: Mark this  
24 Exhibit 18, for identification.  
25 (Plaintiff's Exhibit 18, amendment

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1 McDonald  
2 to agreement, marked for identification,  
3 as of this date.)  
4 Q. Mr. McDonald, the court reporter  
5 has marked as Exhibit 17 what looks to be an  
6 employment contract for you, and as Exhibit 18  
7 what looks to be an addendum to that contract.  
8 Is Exhibits 17 in fact your  
9 employment agreement with the hospital group?  
10 A. It was my contract, yes.  
11 Q. Is that your signature on the last  
12 page?  
13 A. Yes.  
14 Q. Around the signature block I  
15 should say?  
16 A. Yes.  
17 MR. TZANETOPOULOS: Let me fix the  
18 exhibit, I'll make the record clear.  
19 There has been some trouble stapling  
20 exhibits so let me make the record clear.  
21 Exhibit 17 is entitled employment  
22 agreement, it is a four-page document  
23 bears Bates numbers BQHC03941 through  
24 03944. And Exhibit 18 is a two-page  
25 addendum with Bates numbers BQHC03945 and

1 McDonald  
2 946.  
3 Q. Let's go back to 17, the last page  
4 is your signature?  
5 A. Yes.  
6 Q. Is that Mr. Gio on behalf of each  
7 of the three hospital entities?  
8 A. Yes.  
9 Q. Exhibit 18, is that your signature  
10 on the last page?  
11 A. Yes.  
12 Q. And Mr. Garg on behalf of Wyckoff?  
13 A. Yes.  
14 Q. Exhibit 17 reflects that the  
15 system which is defined as Brooklyn-Queens  
16 Health Care is your employer.  
17 Do you know why that was done?  
18 A. Say that again.  
19 Q. Sure. I tried to do some steps to  
20 save a little time, let me break them up.  
21 Exhibit 17 says, "The agreement is  
22 made by and between Brooklyn-Queens Health  
23 Care, Inc which contract defines as the  
24 system, Wyckoff, Caritas" and you, Mr.  
25 McDonald. Paragraph one, employment says,

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1 McDonald  
2 "The system shall employ employees,  
3 executives, vice presidents," it goes on.  
4 Do you know why this contract was  
5 arranged so that the system or Brooklyn-Queens  
6 Health Care would be your employer?  
7 A. I was doing work for all three  
8 business entities.  
9 Q. The addendum in Exhibit 18 is  
10 dated May 22nd, 2008, in that case only  
11 Wyckoff is your employer.  
12 Do you know why that changed?  
13 A. I moved back to Wyckoff in 2007  
14 and I had no responsibilities once Tom  
15 Singleton came in, all of my responsibilities  
16 were related solely to Wyckoff.  
17 Q. Is there any discussion that you  
18 recall or any work that you performed  
19 concerning the contract between Brooklyn-  
20 Queens Health Care and Ross you haven't  
21 testified yet about today?  
22 A. Not that I can recall.  
23 MR. TZANETOPOULOS: Those are all  
24 the questions I have for Mr. McDonald at  
25 this time.

1 McDonald  
2 MR. LOUGHLIN: I just have one or  
3 two follow up questions just as a matter  
4 of clarification.  
5 EXAMINATION BY  
6 MR. LOUGHLIN:  
7 Q. Directing your attention to  
8 Exhibit 12 on your deposition, I'll hand you  
9 my copy so you don't have to fish for it.  
10 Is it your testimony that the  
11 amounts listed on this exhibit are at least as  
12 of the date of that exhibit an accounting of  
13 the unauthorized transfers done by Mr. McNeil?  
14 A. Yes, it is an accounting, it is my  
15 an accounting that was done by Wah-Chung Hsu  
16 to identify the transactions that went back  
17 and forth between the business entities that  
18 were inappropriate transfers of funds.  
19 Q. And when those inappropriate  
20 transfers came to light, what happened to Mr.  
21 McNeil?  
22 A. He was terminated.  
23 Q. By whom?  
24 A. By myself, I terminated him.  
25 Q. Acting under the authority of the

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1 McDonald  
2 Board of Trustees and Wyckoff?  
3 A. Acting under --  
4 MR. TZANETOPOULOS: Objection,  
5 legal conclusion.  
6 A. Acting under the approval of the  
7 president and CEO.  
8 Q. Mr. Gio?  
9 A. Yes.  
10 Q. You testified earlier that it was  
11 your position from the beginning of the  
12 acquisition of the Caritas hospitals that  
13 liabilities or obligations of Caritas should  
14 not flow to Wyckoff.  
15 Is that correct?  
16 A. Correct.  
17 Q. Were there other members of senior  
18 management at Wyckoff and members of the Board  
19 of Trustees who also shared that position?  
20 A. Yes.  
21 Q. Would you say that was essentially  
22 the position of Wyckoff?  
23 MR. TZANETOPOULOS: Objection,  
24 conclusion, foundation.  
25 Q. You can answer.



1 McDonald  
2 A. Yes.  
3 MR. LOUGHLIN: I have nothing  
4 further.  
5 CONTINUED EXAMINATION BY  
6 MR. TZANETOPOULOS:  
7 Q. Notwithstanding that testimony, we  
8 can agree Mr. Gio signed at least one contract  
9 that you know of that violated that.  
10 Is that correct?  
11 A. Yes.  
12 MR. LOUGHLIN: Objection, calls for  
13 legal conclusion.  
14 Q. You signed a contract that said --  
15 MR. ZWERLING: Exhibit 1.  
16 Q. -- "In the event hospitals are not  
17 operative and the university is not in  
18 material breach of the agreement, BQHC agrees  
19 to provide the university with an equivalent  
20 number of clerkships as agreed to herein in  
21 one or more of its other facilities."  
22 Is that correct, you signed one  
23 that said that?  
24 MR. LOUGHLIN: Objection.  
25 A. I signed that.

111  
1 McDonald  
2 Q. At any time have you ever heard  
3 anybody at Brooklyn-Queens Health Care or  
4 Caritas or Wyckoff suggest that any of the  
5 hospital entities return Ross' funds because  
6 these contracts violated any position of the  
7 hospital entities? Let me qualify that.  
8 Have you ever heard anybody from  
9 any of the hospital entities suggest that the  
10 funds should be returned to Ross?  
11 A. Not that I can recall.  
12 Q. We can agree Ross' funds were  
13 spent.  
14 Is that correct?  
15 A. Correct.  
16 MR. LOUGHLIN: I object, this has  
17 been asked and answered, it really is  
18 just rhetorical, argumentative questions.  
19 MR. TZANETOPOULOS: That's all I  
20 have, we are done, signature.  
21 Mr. McDonald, your call, you have a  
22 right if you wish to have the transcript,  
23 to review the transcript when it is  
24 written up, make corrections and sign it,  
25 and/or you can rely upon the court

1 McDonald  
2 reporter to have transcribed it  
3 accurately and waive signature. That's  
4 entirely the decision of you and your  
5 counsel.  
6 MR. ZWERLING: We will take a look  
7 at it.  
8 MR. TZANETOPOULOS: Signature  
9 reserved, thank you.  
10 Off the record.  
11 (Whereupon, an off-the-record  
12 discussion was held.)  
13 (Time noted: 2:19 p.m.)  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

113  
1 McDonald  
2 CERTIFICATE.  
3  
4 UNITED STATES DISTRICT COURT:  
5 EASTERN DISTRICT OF NEW YORK:  
6  
7 Before me, this day, personally appeared  
8 HAROLD McDONALD, who, being duly sworn, states  
9 that the foregoing transcript of his  
10 Deposition, taken in the matter, on the date,  
11 and at the time and place set out on the title  
12 page hereof, constitutes a true and accurate  
13 transcript of said deposition.  
14  
15  
16 HAROLD McDONALD  
17  
18 SUBSCRIBED and SWORN to before me this  
19 \_\_\_\_\_ day of \_\_\_\_\_, 2011, in the  
20 jurisdiction aforesaid.  
21  
22  
23  
24  
25 My Commission Expires Notary Public

1 McDonald  
2 CERTIFICATE  
3 STATE OF NEW YORK )  
4 : ss.  
5 COUNTY OF NEW YORK )  
6  
7 I, Jeremy Frank, a Notary Public within  
8 and for the State of New York, do hereby  
9 certify:  
10 That HAROLD McDONALD, the witness whose  
11 deposition is hereinbefore set forth, was duly  
12 sworn by me and that such deposition is a true  
13 record of the testimony given by the witness.  
14 I further certify that I am not related  
15 to any of the parties to this action by blood  
16 or marriage, and that I am in no way  
17 interested in the outcome of this matter.  
18 IN WITNESS WHEREOF, I have hereby  
19 set my hand on the 27th day of June, 2011.  
20  
21  
22 JEREMY FRANK, MPM  
23  
24  
25

1 McDonald  
2 Exhibits continued:  
3  
4 Plaintiffs 6 12/06 e-mail chain  
5 Between St. James and  
6 Romero 39  
7 Plaintiffs 7 E-mail chain and  
8 Affiliation agreement 44  
9 Plaintiffs 8 Amendment to affiliation  
10 Agreement 50  
11 Plaintiffs 9 Second amendment to  
12 Affiliation agreement 50  
13 Plaintiffs 10 Promissory note agreement  
14 As of 12/1/06 51  
15 Plaintiffs 11 7/30/07 memo Rucigay to  
16 Senior cabinet 59  
17 Plaintiffs 12 3/6/07 Hsu e-mail to  
18 Group and attachment 71  
19 Plaintiffs 13 2/22/07 e-mail chain and  
20 Caritas organization  
21 Period and start up 80  
22 Plaintiffs 14 Wyckoff board minutes,  
23 12/20/07 91  
24  
25 (Exhibits continued)

1 McDonald  
2 ----- I N D E X -----  
3  
4 WITNESS EXAMINATION BY PAGE  
5 MR. McDONALD MR. TZANETOPOULOS 5, 110  
6 MR. LOUGHLIN 108  
7  
8 ----- INFORMATION REQUESTS -----  
9  
10 DIRECTIONS: Page 95  
11  
12 ----- EXHIBITS -----  
13  
14 Plaintiffs 1 Affiliation agreement 19  
15 Plaintiffs 2 8/21/06 letter Gio to  
16 Dr. Perri 19  
17 Plaintiffs 3 8/21/06 letter Gio to  
18 Tien 19  
19 Plaintiffs 4 11/13/06 e-mail Romero  
20 To Dr. Perri and amendment  
21 To contract 35  
22 Plaintiffs 5 12/06 e-mail chain  
23 Between Dr. Perri and  
24 Romero 36  
25 (Exhibits continued)

1 McDonald  
2 Exhibits continued:  
3  
4 Plaintiffs 15 Wyckoff board minutes,  
5 1/10/08 98  
6 Plaintiffs 16 Wyckoff board minutes,  
7 12/14/06 102  
8 Plaintiffs 17 12/27/06 employment  
9 Agreement 104  
10 Plaintiffs 18 Addendum to employment  
11 Agreement 104  
12  
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1 McDonald  
2 INSTRUCTIONS TO WITNESS  
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4 Please read your deposition over  
5 carefully and make any necessary corrections.  
6 You should state the reason in the appropriate  
7 space on the errata sheet for any corrections  
8 that are made.  
9 After doing so, please sign the errata  
10 sheet and date it.  
11 You are signing same subject to the  
12 changes you have noted on the errata sheet,  
13 which will be attached to your deposition.  
14 It is imperative that you return the  
15 original errata sheet to the deposing attorney  
16 within thirty (30) days of receipt of the  
17 deposition transcript by you. If you fail to  
18 do so, the deposition transcript may be deemed  
19 to be accurate and may be used in court.  
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1 McDonald  
2 \*\*\* ERRATA SHEET \*\*\*  
3  
4 NAME OF CASE: ROSS v. BROOKLYN-QUEENS  
5 DATE OF DEPOSITION: June 27th, 2011  
6 NAME OF WITNESS: McDonald  
7 PAGE LINE FROM TO  
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19 HAROLD McDONALD  
20 Subscribed and sworn to before me  
21 this \_\_\_\_ day of \_\_\_\_\_, 2011.  
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23 JEREMY FRANK My Commission Expires:  
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